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Title: J.R. Simplot Company and the Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Independent & Teamster Food Processors, Drivers, Warehousemen, and Helpers, Local Union No. 670 (2004)

K#: 405

Employer Name: J.R. Simplot Company

Location: ID Caldwell

Union: Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Independent

Local: Teamster Food Processors, Drivers, Warehousemen, and Helpers, Local Union No. 670

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AGREEMENT

This Agreement made and entered into this 27th Day of July, 2004, by and between the J.R. Simplot Company food processing plant at Caldwell, Idaho, referred to hereinafter as the "Company" and Teamster Food Processors, Drivers, Warehousemen, and Helpers, Local Union No. 670, affiliated with Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Independent, being referred to hereinafter as the "Union."

ARTICLE 1 - RECOGNITION AND BARGAINING UNIT**SECTION I. Recognition.**

Pursuant to the National Labor Relations Board election (re: Case No. 19-RC-8319) held May 3, 1977, at Caldwell, Idaho, as stipulated by National Labor Relations Board Certification of Representation dated June 27, 1977, the "Company" recognizes the "Union" as the collective bargaining agent and representative for those employees within the bargaining unit in regard to rates of pay, hours of work, and conditions of employment.

SECTION 2. Definition of Bargaining Unit.**A. Included.**

The following employees constitute the unit appropriate for collective bargaining. All production, maintenance, ethanol plant, and quality control laboratories at the employer's food processing plant at Caldwell, Idaho.

B. Excluded.

The following employees are excluded: professional, office/clerical, research and development laboratory personnel, contract seed cutters, stockroom personnel (except general labor), temporary construction employees, guards, pilot plant, potato storage, irrigators, and plant management personnel.

ARTICLE 2 - MANAGEMENT RIGHTS**SECTION I. Protection.**

Except as modified by the terms of the Agreement, the Company will manage the plant and direct the working force.

SECTION 2. Partial Definition.

Management of the plant includes the right to plan, direct, and control plant operations; to establish production schedules; to hire, assign employees to work, transfer employees from one job to another or one department to another; promote, demote, discipline, suspend, or discharge employees for proper cause; to relieve employees from duty because of lack of work or any other legitimate reason; to introduce new or improved production methods or facilities; to introduce new and improved methods of transporting products; to change, remove, or relocate existing production methods or facilities, and the right to make and uniformly enforce its plant rules and carry out the functions of management.

ARTICLE 3 - UNION SECURITY

SECTION 1. Membership, Right to Work Status.

Membership in the Local Union is voluntary and is not a condition of continued employment.

SECTION 2. Deductions - Withdrawal.

The Company shall, for any employee who voluntarily submits an individually-signed authorization card, in the form agreed upon between the Company and Union, deduct the dues and/or initiation fees and remit them to the Union by the end of each month.

SECTION 3. Indemnification.

The Union will indemnify and hold the Company harmless against any and all claims, demands, suits, and other forms of liability which will arise out of the Company's compliance with the deduction of dues and discharge of employees under Article 3.

SECTION 4. Union Postings.

The Company will post official Union notices that are not considered to be derogatory to the Company on those bulletin boards having space designated, "For Official Union Notices." Copies of all notices will be furnished by the Union to the personnel manager prior to posting.

SECTION 5. Notification.

The Union will be advised each month of the names of new employees and their department, shift and social security number. When the Company discharges a non probationary employee, they will advise the employee and the Union in writing.

SECTION 6. Visitation Rights.

The Company agrees to admit authorized Union representatives to its facility. A letter from the Secretary-Treasurer of Local Union No. 670 will be sent to the Company advising the names of the authorized representatives for the purpose of observing the application of this Agreement and adjusting grievances. These activities will be discharged in a manner avoiding unnecessary loss of time or disruption of work schedules. The Union representatives must first notify the shift manager or the plant personnel manager of their desire to visit the plant and obtain agreement for such visits, stating the person(s) to be seen, and reasons for visiting certain areas of the plant. Admission will not be unreasonably denied. The Union agrees to provide names of all designated stewards to the Company and to counsel them on the limits of their responsibilities. The Company will allow the designated stewards one day per year to meet, without pay.

ARTICLE 4 - SENIORITY

SECTION 1. Definitions.

- A. For purposes of this Agreement, "seniority" will be defined as a ranked status among those employees within the bargaining unit achieved through the accumulation of unbroken service.

- B. Departmental Application.

The term "Departments" means the following nine (9) departments: (1) Raw Product; (2) Warehouse Distribution Center; (3) Maintenance; (4) Package (Finished Product); (5) Wet Line (Processing); (6) Quality Assurance; (7) Recovery Plant; (8) Sanitation; and (9) Ethanol Plant.

SECTION 2. Determination and Accrual.

- A. Determination.

As new employees report to work, their seniority number will be assigned in accordance with the individual's date and sequence of actual employment. The number will be assigned on the first day actually worked.

SECTION 3. Loss of Seniority.

- A. Factors not creating a loss of seniority.

Seniority will not be broken due to layoffs or any other type of approved absence which does not exceed 365 calendar days.

B. Factors creating a loss of seniority.

An employee will lose all of their accrued seniority as the result of any of the following occurrences:

- 1) Quits.
- 2) Is discharged for just cause.
- 3) Has not worked for a period of twelve (12) consecutive months, except in the case of an on-the-job injury, for which the twelve (12) month period will be extended to thirty-six (36) months, unless extenuating circumstances require additional time for medical evaluations.
- 4) Fails to return upon recall from layoff, including voluntary layoff, within three (3) days of receipt of a certified letter or the certified letter returns unclaimed (unless the employee presents valid cause to the personnel office within thirty (30) calendar days).
- 5) An employee fails to return from a leave of absence without verified reasonable excuse unless an extension is arranged through the personnel department and approved by the employee's supervisor.
- 6) Retires pursuant to the retirement plan contained in Article 15 of this Agreement.

C. Moves to Salaried Status.

Employees moving to any Simplot salaried or nonunion payroll will retain their bargaining unit seniority for six (6) months from the date work is begun outside the bargaining unit.

SECTION 4. Probation.

A. Definition.

For purposes of this contract, "probation" will be a status of employment under which the employee will accrue no seniority, and have no recourse to management's unilateral decisions regarding the continuation of their employment.

B. Purpose and Duration.

1) Purpose.

All newly hired employees will be placed on probation as a condition of hire to allow for a reasonable assessment of their skills, abilities, and general compatibility with workers and the work environment.

2) Duration.

Individuals will remain on probation until they have worked thirty (30) days; if they are not terminated during this period, they will be granted regular employment status and seniority back to their first day worked.

3) Breaks in Probationary Period.

If any employee does not complete thirty (30) days worked during their first period of employment and is recalled within one (1) year from the date of layoff, the worked days spent on the payroll in all future periods will be added to the time already accrued until thirty (30) days are worked.

4) Performance Reviews.

Probationary employees will receive individual performance reviews before the fifteenth (15th) day worked and again prior to the thirtieth (30th) day worked.

5) Obligation.

There will be no Company responsibility or obligation for the reemployment or continued employment of probationary employees.

SECTION 5. Utilization.

A. Holiday and Weekend Work.

Weekend work will be defined as that work performed on Saturdays, Sundays, and holidays when the plant is not operating on a seven (7) day work schedule.

B. Cleanup or Partial Department Operation.

1) Definition.

Cleanup or partial operation will be defined as any day the plant is cleaning up or repackaging.

- 2) The following sequence will be used provided that if an employee is scheduled off on the cleanup or partial operation day that person would only be used after steps "a" through "d" have been exhausted.

Employees requesting the work must sign the sign-up log. Work will be assigned in the following manner under the conditions below.

- a) To the senior-qualified employees on the shift having the partial production or cleanup who have signed the sign-up sheet.
- b) Assign all remaining classification 2 employees on that shift, whether working Class 1 or 2 by reverse seniority.
- c) Allow employees from other shifts who have signed the sign-up sheet and are not scheduled to be off.
- d) Assign in reverse seniority classification 1 employees on the shift having partial production or cleanup. Classification 1 employees will be used to clean all areas other than the freezer tunnels, cutter, fryers, blanchers, peelers, and dryers.

C. Warehouse Department/Partial Department.

- 1) Definition.

Any day the work loads require less than a full crew.

- 2) Except as otherwise provided in this agreement, employees will be retained on a senior may/junior must basis by bid job.

D. Transfers.

Only employees in classifications 1 and 2 will be permitted transfers between shifts. Transfers will be effected by plant seniority on a written request filed with the personnel office. Transfers by this method will be accommodated, provided suitable replacements are available.

No more than one (1) transfer per employee will be permitted in a calendar year. The employee will have thirty (30) calendar days from the date of transfer to return to the original shift.

E. Seniority List.

The Company will post a current seniority list in a convenient, conspicuous place in plant 1, plant 2, freezer department, and ethanol plant. Employees will have ten (10) days in which to file an objection to the date and the number representing their seniority. Employees not filing an objection will thereby have agreed to the correctness of the seniority list. The seniority list will be brought up to date on October 1 and March 1 of each year and reposted. The Union will be given a corrected copy of the seniority list.

F. No Bumping.

Nothing in this Article will be construed as permitting any employee to bump another employee from a bid job, except during general layoff.

Exception:

Realignment by seniority will be permitted into Classification 2 Bid positions on the employee's home shift provided the employee meets the qualifications of the position.

It will be the responsibility of the employee to qualify and maintain their qualifications annually by working a minimum of fifteen (15) hours in Classification 2 and demonstrating job knowledge twice within the year from their initial qualification date. If an employee disqualifies themselves from the job classification or qualifications it will become effective thirty (30) days or sooner if mutually agreed upon by the company and employee from the date of filing such notice.

G. Workweek Assignment Under Seven-Day Operation.

- 1) Each employee will be assigned two (2) consecutive days off by seniority within each group on each shift.
 - a) Groups will consist of similar jobs within the same classification(s) or maintenance section(s).
 - b) Relief operator positions will be included in the same group as operators.
 - c) A copy of these groups will be furnished to the Union upon the Union's request.
- 2) Days off will be awarded to the senior qualified employee within each group. The number of employees on any day will be determined by availability.
- 3) Employees will be allowed to change their days off by seniority every quarter.

Quarters are: March, June, September and December.

- a) Production employees must submit a change in writing, to the ESR before the fifteenth (15th) day of the month preceding the quarter, to change their days off. All other employees must submit a change, in writing, to their immediate supervisor before the fifteenth (15) day of the month preceding the quarter, to change their days off. Employees may have off any two (2) consecutive days if their seniority permits.
 - b) The Company will realign the days off the first full week of the new quarter. It is the employee's responsibility to notify the ESR or their supervisor of days off choices. The Company will post realigned work schedules on the bulletin boards.
- 4) Employees who receive a bid job will assume the days off for that job for the balance of the current Quarter.
- 5) Rotating Relief.
 - a) For those areas where it is necessary, relief persons may be used on more than one shift.
 - b) The rotating relief person will have seniority on the shift where the most relief occurs.
- 6) Scheduled vacancies will be defined as any vacancy scheduled 24 hours in advance and 4 hours or more in duration other wise treated as unscheduled.
 - (a) Scheduled Vacancies:
 - 1. In situations where temporary vacancies are scheduled 24 hours or more in advance, the work shall be offered to senior qualified employee(s), in order of seniority in the Job Group on the shift. If such employee is not available, then:
 - 2. Senior qualified employee(s) on shift, if such employees is not available, then:
 - 3. The senior qualified employee(s) in the Job Group on the shift that is not scheduled to work (day off) and has registered their desire to volunteer for available work (Sign up list). If such employee(s) is not available then:
 - 4. The work shall be offered in order of seniority to other qualified employee(s) on the shift who are not scheduled to

work (day off) and have registered their desire to volunteer for available work.

Upon determining the duration of a temporary vacancy, the Company will, within twenty four (24) hours treat the vacancy as "scheduled" and the work shall be offered and scheduled on the appropriate shift as indicated above.

If the employee(s) on his/her day off is unavailable the vacancy shall be treated as "unscheduled". Unscheduled vacancies will be defined as any vacancy scheduled with less than 24 hours notice.

(b) Unscheduled Vacancies Shall be Filled by:

1. Offering the work to the qualified employee(s) from the job group on the shift in order of seniority. If such employee(s) is not available then by:
2. Offering the work in order of seniority to employee(s) from other shifts currently performing the bid job, who have registered their desire to volunteer for available work, by holding over and/or calling in, whichever is appropriate. If such employee(s) is/are not available, then by:
3. Offering the work in order of seniority to qualified employee(s) from other shifts, who have registered their desire to volunteer for available work, by holding over and calling in, whichever is appropriate, if such employees is not available then:
4. The least senior qualified employee in the job group shall be required to perform the work.

All Departmental seniority rules will apply for scheduled and unscheduled vacancies.

7) Ethanol Plant Operations.

- a) Full-time operators will work Monday through Friday with Saturday and Sunday off.
- b) Relief employees will work Saturday and Sunday for two (2) twelve (12) hour shifts.

- c) When call ins are necessary to ensure efficient and continuous department operations relief employees may be utilized until they reach a normal forty (40) hour work week. At that time call ins would be by senior qualified employee. The parties confirm that nothing in this agreement requires the company to work an employee at overtime rates when another qualified employee is available to perform the work at a lower rate.

However, any affected employee will not be required to work on a normal day off, if an employee with less seniority is available, and shall not be subject to disciplinary action. This does not prevent an employee from voluntarily accepting work.

8) Warehouse Distribution Center.

- a) The Company may implement variable hours of work schedules which will be mutually agreed between the Company and the Union and voted by a majority of affected employees. Such schedules shall include at least two (2) consecutive days off. Such positions shall be subject to a volunteer sign-up basis, and will be assigned to qualified employees in the inverse order of seniority if there are insufficient volunteers.
- b) The parties confirm that nothing in this Agreement requires the Company to work an employee at overtime rates when another qualified employee is available to perform the work at a lower rate. Employees will not be required to work on their scheduled days off to accommodate this provision.

H. Exceptions.

- 1) In order to provide for instances where specialized skill, or experience, and ability are necessary, the Company may make exceptions in order to ensure efficient and continuous plant operations. These exceptions may be used only in an emergency and may not exceed one (1) full shift.
- 2) The shift will terminate for individuals as product clears area or station.
- 3) In order to provide for the efficient operation of the plant, the Company may desire to significantly change its plant scheduling, with regard to hours of work, during the term of this Agreement. In any event, the Company and the Union will negotiate and reach a mutual agreement prior to any implementation. Such modifications will be presented for a vote of the affected employees.

ARTICLE 5 - LAYOFF AND RECALL

SECTION I. Layoffs.

A. General Layoff (when plant is not in production).

- 1) All employees will be laid off, except those needed for plant protection.
- 2) Employees, as required, will be called back to work pending a general recall, by plant seniority, qualifications being sufficient.
- 3) Warehouse Department determined by department seniority, shift, and by bid job.

B. Scheduled Routine Layoff (when plant is in production).

- 1) **5-Day Operation.**
When it becomes necessary to reduce the work force because of a scheduled routine layoff, then layoff will be by plant seniority within each department and shift.
- 2) **7-Day Operation.**
Reduction of the work force because of a scheduled layoff (such as line shutting down) will be by job group, i.e., operator or relief, shift, and seniority.

C. Emergency Layoff.

When it becomes necessary to reduce the work force at the plant due to an emergency condition, reduction will not include realignment of days off. Layoff will be as follows:

- 1) If less than twenty-five (25) employees are affected, layoff will be by plant seniority on that shift.
- 2) If twenty-five (25) or more employees are affected, those employees affected will be laid off, without regard to their seniority, but the Company will, within twenty-four (24) hours, realign the work force consistent with a scheduled routine layoff in paragraph B above.

D. Layoffs Within The Maintenance Department.

- 1) Reductions will be made by specific job, by shift, by classification, by seniority. The person being laid off one shift will have these options:
 - a) Move to another shift within the same section if their seniority is greater than a person assigned to that shift.

- b) To work class 1 or class 2 on their home shift, seniority permitting, or request permanent transfer to another shift.
 - c) Take a voluntary layoff with the option of working class 1 or class 2 on their home shift, seniority permitting, at a later date, or request permanent transfer to another shift.
 - d) Classification 9 will be the first laid off, then 10, then 11, by department seniority.
- 2) Recall in maintenance for temporary work of less than one (1) week will be by departmental seniority by shift, in the reverse order of D 1) d) above. For more than one (1) week, total department seniority will be used.
- 3) Maintenance Department employees hired prior to June 1, 1992, will use their plant seniority date for department seniority.
- E. Layoffs Within the Warehouse Distribution Center.
- Reductions will be made by department seniority, by shift, and by bid job. Employees laid off in excess of two (2) working shifts will be allowed to exercise plant seniority.
- F. Voluntary Layoff.
- When it becomes necessary to reduce the work force, the following procedure will be followed:
- 1) The senior employee in the classification affected will be given the opportunity to volunteer for layoff. If there are no volunteers, procedures for routine layoff will be followed.
 - 2) During a voluntary layoff, only seniority will accrue.
- G. Definition.
- For the clarification of this section, Saturdays, Sundays, or scheduled days off on a seven (7) day operation are not defined as layoff.

SECTION 2. Recall.

A. After General Layoff.

When the work force is recalled after general layoff, it will be by plant seniority on the shift, by department, qualifications being sufficient.

B. After Scheduled Routine Layoff.

Recall after scheduled routine layoff will be in reverse order of layoff.

C. After Voluntary Layoff.

Employees electing to return from voluntary layoff must make a formal request which will be honored at the beginning of the next work week, subsequent to a minimum notice of two working days, or the employee will be realigned that day if possible.

ARTICLE 6 - POSTING AND BIDDING

SECTION 1. Requirements and Exceptions.

A. Requirements.

When a regular job vacancy covered by the classifications contained in this Agreement occurs or when any new job is created within the bargaining unit, the opening will be posted and filled according to the parameters of this Article.

All temporary vacancies of a regular bid position scheduled to last more than thirty (30) calendar days will be posted and bid as temporary stating the estimated duration of the temporary vacancy and filled according to the parameters of this Article.

B. Exceptions.

When immediate action is necessary to avoid interruptions of operation, the supervisor may temporarily appoint any available employee, provided the employee is qualified to perform the job and the safety of the employees is not jeopardized.

SECTION 2. Time Limits.

The Company will have up to forty-eight (48) hours to determine whether to post and fill the position on a permanent basis, unless Company and Union mutually agree to additional time.

Notices will remain posted for twelve (12) working shifts during production or four (4) working days non production periods.

Bids will be accepted in the ESR Office on all posted positions, until 4:00 p.m., on the date the posting expires.

SECTION 3. Notification and Award.

A. Postings.

- 1) Immediate Openings.
Postings will denote job title (to mean also relief), shift, number of openings, department, classification and pay rate, together with the minimum qualifications required. A copy of all job postings will be provided to the Union.
- 2) Anticipated Needs.
The Company may post for future needs based on anticipated requirements on exactly the same basis as immediate vacancies.

B. Awards.

- 1) Senior Qualified Bidder.

All posted positions will be awarded to the most senior-qualified bidder with the greatest plant-wide seniority who meets the basic skills requirements.

- 2) Rejected Award.

If the employee awarded a bid rejects such award, the next most senior-qualified Bidder who meets the basic skills requirements will receive the award.

All successful bidder(s) will be placed into the open position(s) within thirty (30) calendar days or notified in writing as to why they have not been placed and given an expected placement date. All bids not awarded within thirty (30) days will be re-bid.

The Company will post a notice of all canceled bids with a copy to the Union. When a job bid is awarded, the Company shall post the name of the selected employee with a copy to the Union.

SECTION 4. Rights and Limitations.

A. Rights.

- 1) An employee has the right to exercise their seniority to obtain any position for which they are qualified through the use of the posting and bidding system.
- 2) An employee, absent not over ten (10) calendar days or on vacation for no more than twenty one (21) calendar days will upon their return to-work be allowed two (2) days to review bids in the personnel office and to exercise their seniority to any job posted during their absence.

B. Warehouse Distribution Center Positions.

Effective July 4, 1992:

- 1) Employees bidding from the plant to the Warehouse Distribution Center will not be entitled to bid out of the department for a period of three (3) months beyond the trial and evaluation period, as described in Section 5 of this Article; unless the employee must give up their bid job due to medical restrictions aggravated by the working environment or is removed by the Company.
- 2) In the event that an employee returns to the plant within the thirty (30) day trial and evaluation period, such employee shall be returned to the plant as a Class 2, unless the employee must give up their bid job due to medical restrictions aggravated by the working environment or the employee is removed by the Company, in which case the employee will be returned to their previous bid job.
- 3) After four (4) months in the Warehouse Distribution Center, an employee shall be entitled to bid any available bid position in the plant.
- 4) No employee will be required to report to work without having a minimum of twelve (12) hours off from the last time worked.

C. Limitations.

- 1) An employee may hold only one (1) bid position, with the exception of the following:
 - a) Trainee positions for forklift operator.
 - b) Temporary downtime utility helper during general layoff.
 - c) Maintenance Helper positions are to be utilized primarily on scheduled cleanup days, general downtime and other days as necessary. This rate would only apply for time worked.

- 2) An individual's right to bid, for purposes of effecting a shift change, lateral or regressive move, will be limited to one move per season.
- 3) The employee has the right to accept or reject a different position, but will be limited to two (2) rejections per twelve (12) month period. A rejection is defined as: A) being selected for and released to the position but not accepting or B) the employee rejects the position after starting the new job, with the exception of an employee giving up their current bid to accept a higher paying bid job. An employee shall not accept no more than two (2) bids per 12 months with a minimum of six (6) months in the position before making another accepted bid.

SECTION 5. Trial Period and Evaluation.

A. Purposes.

All employees awarded a position through the bid procedure will be placed on a "trial period" to assess their ability to perform and their general compatibility to the new environment before being granted a permanent status in the new position.

- (1) An employee who after starting the trial periods elects to withdraw within fifteen (15) working days shall return to their prior job and shall not be eligible to bid for that same position for the next six (6) calendar months.
- (2) An employee who is disqualified by the Company during the trial period shall return to their prior job and shall not be eligible to bid for that same position for the next six (6) calendar months.
- (3) An employee who after starting the trial period elects to withdraw after fifteen (15) working days will be assigned to Class 1 and shall not be eligible to bid for the same position for twelve (12) calendar months.
- (4) An employee, who completes the trial period and is disqualified by the Company, will be assigned to (Class 1) and shall not be eligible to bid for the same position for twelve (12) calendar months.

B. Duration.

The trial period for all positions will range from a minimum of five (5) days worked to a maximum of thirty (30) days worked.

C. Evaluations.

During the trial period, the employee will be given two (2) regularly spaced evaluations. The evaluation will be in writing, signed by the employee and immediate supervisor, and a copy given to the employee.

SECTION 6. Pre trained Employees.

The following positions will be filled only through selection from pre trained employees and will be subject to the standard probation period upon filling the actual bid position.

A. Forklift Operator Positions.

A pool of pre trained drivers will be created through routine postings for training positions which will be filled through the standard posting and bidding procedure. After completing the required training at their current regular rate of pay, the successful bidders will then comprise the pool from which the full-time forklift positions will be filled. The standard applications of seniority will apply in determining the award of such positions from the pool.

A separate pool for the Warehouse Distribution Center of Pre trained Hyster Drivers will be created using the same process as contained in the paragraph above.

B. Recovery Plant Positions.

Entry level positions, classification 5, will be filled by open posting. All other recovery plant operator positions will be filled by those employees possessing the proper state certification, as follows:

1) Bidding and Progression:

Classification 5 . . .	Entry Level
Classification 8 . . .	State Certification 1 Requirement
Classification 9 . . .	State Certification 2 Requirement
Classification 10. . .	State Certification 3 Requirement

2) Certification Work and Requirements.

- a) All Class 5 employees will be required to work for and successfully complete the State Certification 1 on two (2) available test date or they will be removed from their bid position.

State certification 1 will result in promotion to the class 8 pay structure. All current Recovery Plant employees will be "Grandfathered" and will be exempt from the State Certification 1 testing requirement. All future employees hired into this department will be required to meet the State Certification 1 standards as noted above.

- b) All State Certification one (1) employees will be required to work for and successfully complete the state certification two (2).
- c) State Certification 3 will not be mandatory, but will be paid at a *Classification 10 pay structure if an employee obtains this level of professionalism.*
- d) Employees failing state exams, for certification 1, may at the discretion of his supervisor, be given an additional six (6) months to gain certification before being removed from the bid position.
- e) The Company will pay for course material and will reimburse the employee for examination costs, when successfully completed. The Company will pay for the yearly recertification renewal fee.

C. Ethanol Plant Positions.

The entry level will be filled by an open posting; all other ethanol plant positions will be filled by the following procedures:

- 1) First on a voluntary basis of the full-time operators, by seniority on any shift, and then by relief ethanol operators, by seniority on any shift.
- 2) If there are no relief employees bidding, then by open bid.

ARTICLE 7 - GRIEVANCE AND ARBITRATION PROCEDURE

SECTION 1. Purpose.

- A. All time frames set forth are intended to promote prompt resolution to the issue and will be adhered to in absolute terms. Failure, by either party, to adhere to the time limits established beyond Step 1 will automatically move the grievance to the next step level, and the new time limits will again commence until the issue reaches Step 4.
- B. Time limits may be extended by mutual agreement between the parties.
- C. Failure by either party to comply with the time limits set forth in Step 4 will constitute a forfeiture of the issue by the party failing to comply.
- D. All time limits in this Article will exclude Saturdays, Sundays, and all holidays.
- E. A grievance must be presented within ten (10) working days of the occurrence or awareness of the occurrence. Otherwise it will constitute forfeiture.

SECTION 2. Grievance Representation.

An employee may have a shop steward present at any step of the grievance procedure. A business representative will be present at Step 3.

SECTION 3. Issues of Preemption.

Discharge grievances and Company or Union grievances will start at Step 3.

SECTION 4. Step Procedure.

The following shall be the procedure for settling any grievance by both parties arising out of the interpretation and application of this Agreement.

Step One.

A grievance will be presented verbally to the employee's immediate supervisor by the employee and/or shop steward. The supervisor must give a written reply within three (3) working days.

Step Two.

Any issue not satisfactorily resolved in Step 1 will be reduced to writing on a mutually agreed upon form and submitted by the employee and/or business agent to the plant personnel manager within ten (10) days from the supervisor's response.

Step Three.

A meeting will be arranged by the personnel manager with the Union representative within five (5) days after receipt of the grievance. Within three (3) days after the meeting, the personnel manager's written decision will be forwarded to the Union representative. If the decision is not acceptable, it may then be referred to the next step by submission of a written request within ten (10) days of receipt by the Union representative.

Step Four.

A meeting between the parties will be arranged by the personnel manager and the administration manager within five (5) days after receipt of the Union's notice of disagreement. Within five (5) days after the meeting, a written decision will be provided to the Union representative. If the decision of the Company is not acceptable, it may be referred to the arbitration process within ten (10) days following receipt of the decision by the Union representative.

Step Five.

Any arbitrable matter under this Agreement is to be settled as follows:

- 1) The party raising the issue will give the other party a clear statement of the issue to be arbitrated as part of the notice of arbitration. This statement will show:**
 - a) Brief statement of the question at issue.**
 - b) The contract clause allegedly violated.**
 - c) The requested remedy.**
- 2) Upon receipt of the notice of intent to arbitrate, the second party will, within five (5) days, inform the first party of its agreement to the statement of issues or proposed amendments.**
- 3) An impartial arbitrator will be selected from a panel of five (5) arbitrators provided by the Federal Mediation and Conciliation Service by a process of alternately striking names. The person so selected will be accepted as the arbitrator, provided that the five (5) arbitrators whose names are submitted by the federal service will be impartial. If it is discovered that any of them have an interest in the arbitration either by reason of such arbitrator having an active membership in any labor union or being an employee or creditor of the Company, the arbitrator and one other, selected by lot, will be stricken from the list.**
- 4) The arbitrator selected will decide the merits of the issue or issues defined earlier. Lack of resolution of the issue will be no bar to arbitration. The award of the arbitrator must be rendered within thirty (30) days unless extended mutual agreement after submission and will be final and binding upon the parties.**
- 5) The arbitrator will have only such jurisdiction and authority to interpret and apply the provisions of this Agreement as necessary to the determination of the arbitrable issue and will not have power to add to, subtract from, modify, or alter the provisions of this Agreement.**
- 6) Expense and compensation of the arbitrator and other incidental expenses of the arbitration will be divided equally between the Company and the Union.**
- 7) Notwithstanding the above, cases involving allegations of discrimination or harassment based upon sex, race, color, religion, age, national origin or disability and/or acts of retaliation by one or more bargaining unit employees against one or more company employees that remain unresolved shall be submitted to an Arbitrator with experience in such cases jointly selected by the Company and the Union whose decision shall be final and binding. Upon**

ratification of the contract and each anniversary date thereafter, the parties shall request a list of seven arbitrators residing within the states of Idaho, Washington, and/or Oregon who have experience in deciding statutory employment law discrimination cases. Said list will be furnished by FMCS if possible or directly by the National Academy of Arbitrators from among its members. Selection shall be made from this list during the year it is in effect by the parties alternatively making the first strike from each usage of the list.

ARTICLE 8 - HOURS OF WORK AND OVERTIME

SECTION 1. Terms of Employment.

Nothing contained herein will be construed as a guarantee of employment.

SECTION 2. Workweek as Defined.

For five (5) day operations, the workweek will consist of seven (7) consecutive days and will begin at 12:01 a.m. on Monday and end at 12:00 midnight the following Sunday.

SECTION 3. Workday as Defined.

The workday will consist of twenty-four (24) consecutive hours and will begin at 12:01 a.m. and end at 12:00 midnight the same calendar day. It will be any of the days mentioned in Section 2.

SECTION 4. Hours of Work.

Seven and one half (7 1/2) hours will constitute a normal day's work for all employees. Employees are expected to be at their place of employment for eight (8) hours. Of the eight (8) hours, seven and one half (7 1/2) hours will be at the assigned work station and paid for, and the additional unpaid one half (1/2) hour will be for lunch time.

- A. Employees who are required to be at their job stations for eight (8) hours will be paid for eight (8) hours, eating their lunch at their work station. Such stations will be specifically designated.
- B. Employees will not be paid for lunch periods unless they are instructed to work through the lunch period. The regular rate of pay will prevail during the lunch period worked.
- C. All employees shall be paid at the designated rate for total hours worked, as directed by their supervisors pursuant to the work schedule. There will be no pay for any time not actually worked, except as specifically provided for in the terms of this Agreement.

SECTION 5. Pay Provisions/Overtime.

A. Regular Pay.

Regular pay is defined as the bargained rate for each classification as noted in Appendix "A-1" (red circle employees will be paid their rate for a 90 calendar day period).

B. Overtime Pay.

Overtime pay is defined as premium pay for work performed in excess of normal scheduled hours of work on a daily basis, and five (5) times the normal daily scheduled hours of work on a weekly basis. For employees whose daily scheduled hours of work exceed eight (8) hours, weekly overtime pay will apply to all hours worked over forty (40).

C. Overtime Exception.

- 1) Pay for time not actually worked, except where specifically provided, will not be used to compute overtime and will be considered premium pay and subject to paragraph D. below.
- 2) The Company will not be required to allow employees to work more than twelve (12) consecutive hours.
- 3) **MAINTENANCE SCHEDULE DURING GENERAL LAYOFF.**
During scheduled general layoff the maintenance department may adjust hours of work to better utilize manpower (i.e.: 4 - 10 hour days). This would be an exception to normal overtime pay procedures. Pay would consist of 10 hours per shift paid at straight time.

D. Computation.

Regular rate of pay and shift differential will be added together for the purpose of computing overtime pay for hours of overtime worked.

E. Pyramiding.

Overtime and/or premium pay will not be pyramided or duplicated. If two (2) or more of the overtime or premium pay provisions apply to the same hours of work, the provisions yielding the largest amount of pay will satisfy the requirements of all other provisions.

F. Sunday Pay. Five (5) Day Operation.

Sunday pay will be defined as premium pay for work performed on all Sundays. In addition to the regular rate of pay, the employee will receive an additional one half (1/2) of the regular rate of pay. This will not be used to offset true overtime hours; overtime will not be paid additionally on the Sunday premium pay.

SECTION 6. Seven (7) Day Operation.

The employees scheduled workweek shall be defined as seven (7) consecutive days beginning any day of the week and ending seven (7) consecutive days later. All employees will be regularly scheduled five (5) consecutive days followed by two (2) days off in each seven (7) day workweek.

When the plant is operating on a seven (7) day schedule, the following language will apply in place of paragraph E above.

A. Sixth (6th) Consecutive Day Pay.

When an employee works six (6) consecutive days in the same week, work performed on the sixth (6th) day will be paid at straight time, unless the cumulative hours worked in the assigned workweek qualify as true overtime hours. True overtime hours will be paid an additional one half (1/2) of the regular rate of pay.

B. Seventh (7th) Consecutive Day Pay.

When an employee works seven (7) consecutive days in the same week, work performed on the seventh (7th) day will be paid at an additional one half (1/2) of the regular rate of pay. This will not be used to offset true overtime hours. Overtime will not be paid additionally on the premium pay for the seventh (7th) consecutive day.

C. Exceptions to Sixth (6th) and Seventh (7th) Day Pay.

If work on the sixth (6th) and seventh (7th) day is required due to a change in day off by another employee, the additional hours (in excess of thirty-seven and one half (37 1/2)) will not be considered for the sixth (6th) and seventh (7th) day pay.

SECTION 7. Minimum Reporting Time.

A. Employees reporting and not put to work will receive two (2) hours at their regular rate of pay.

- B. Employees reporting to work will receive not less than four (4) hours work at their regular rate of pay if work is performed. When employees are called-in to attend a training session, on their days off, they will receive not less than four (4) hours at their regular rate of pay. When practical, all employees will be notified twenty-four (24) hours before any change in starting time. It is not intended that this provision will apply when employees are required to work in excess of the regular workday. Such additional time may be less than four (4) hours.

SECTION 8. Call-back Time.

Any employee called back to work after their regular-assigned shift for emergency will be paid a minimum of four (4) hours at the regular rate of pay for the work performed. Employees called in early will be paid for the regular rate of pay.

SECTION 9. Rest and Lunch Periods.

Employees will be permitted rest periods of fifteen (15) minutes duration on each one half (1/2) of the shift. During the first half of the shift, rest periods will begin no earlier than one and one quarter (1 1/4) hours and no later than two and three-quarters (2 3/4) hours after the starting time of that half shift. During the second half of the shift, rest periods will begin no earlier than one and one quarter (1 1/4) hours and no later than two and three quarter (2 3/4) hours after the starting time of that half shift. Lunch periods will begin no earlier than three (3) hours and no later than five (5) hours after the starting time of the shift. There will be a minimum of one (1) hour between lunch and break times, except in cases of breakdowns or emergencies.

SECTION 10. Notification of Employees.

- A. Except in emergencies, the Company agrees to notify its employees at least forty-eight (48) hours in advance when work is anticipated on the weekend or scheduled days off of employees. Emergencies include circumstances that are unforeseen and/or unexpected schedule changes which are beyond the control of the local plant management. It is agreed and understood that all employees will perform work on those days when notified in advance.
- B. Downtime will be established by the Company and posted on the plant bulletin boards as soon as possible. Company will make its best effort to provide five (5) working days notice prior to scheduled downtime.

ARTICLE 9 - WAGES AND PAY PRACTICES

SECTION 1. Regular Rate of Pay.

Regular rate of pay will be as stated in Appendix "A-1," titled "Regular Rates of Pay for Classifications," and becomes a part of this contract by reference.

SECTION 2. Shift Differential.

Shift differential is defined as premium pay for work performed on two (2) regularly-assigned shifts as follows: Midnight shift (12:00 midnight to 8:00 a.m.) will receive ten cents (\$.10) per hour in addition to their regular rate of pay. Swing shift (4:00 p.m. to midnight) will receive five cents (\$.05) per hour in addition to their regular rate of pay. Employees who work shifts on which shift premium is paid will receive the appropriate shift premium for the hours worked on that shift.

Increase Swing Shift from \$.05 to \$.10 per hour on 5-1-03.

Increase Midnight Shift from \$.10 per hour to \$.15 per hour on 5-1-03.

SECTION 3. Entry Rate.

All new employees will be paid at a rate of twenty percent (20%) per hour less than the regular rate of pay for a period of ninety (90) days worked; at which time a ten percent (10%) increase will be given for an additional ninety (90) days worked.

Electrical Maintenance employees, hired directly from outside the Company, will only receive the reduced probationary rate, eighty percent (80%), for the first thirty (30) days worked; at which time they will receive the full rate of the job they are performing.

The Company may waive this provision if necessary.

Relief ethanol operators will be paid at a rate of twenty percent (20%) per hour less than the regular rate of pay for a period of 56 days worked; at which time a ten percent (10%) increase will be given for an additional nineteen (19) days worked.

SECTION 4. Calculation of Fractions of an Hour.

Employees will be paid to the nearest one tenth (1/10th) hour (six (6) minutes).

SECTION 5. Jury Pay.

A. Eligibility.

- 1) Eligibility for jury pay will be determined on a day-to-day basis, and will be determined by actual time required away from the job based upon the call or release by the court involved.
- 2) To be eligible for the above payment, the employee must notify the immediate supervisor at the time of the call to jury service and must furnish evidence of the amount of pay received for jury service.

B. Full Pay Supplement.

Any regular employee who is required to be absent from work as a result of being called for and serving on a jury will receive whatever straight time pay they would have otherwise received, up to and including thirty-seven and one half (37 1/2) hours in any one (1) week.

C. Partial Day Reporting.

Any regular employee who is required to be absent from work as a result of a call for jury service but who is released from that call in time to report to work for the second half of their shift will be required to return to their assigned shift. Employees reporting in compliance with this subsection will be paid for the full shift. Employees released early but not reporting to work will forfeit their right to that day's supplement.

D. Limitations.

In no instance will the Company supplement, plus time actually worked, exceed seven and one half (7 1/2) hours at straight time in any twenty-four (24) hour period.

SECTION 6. Funeral Pay.

Employees who lose time on scheduled work days because of a death in their immediate family will be paid for one (1), two (2), or three (3) days (each day at seven and one half (7 1/2) hours straight time), as necessary, for making arrangements or attendance at the funeral. For the purpose of this section, a member of an employee's immediate family will be defined as one of the following: employee's spouse, parent, grandparent, grandchild, son, daughter, brother, stepbrother, sister, stepsister, mother-in-law, father-in-law, stepfather, stepmother, step-children, grandparents of employees spouse, brother-in-law, sister-in-law or blood relative living in the home.

If an employee is on leave of absence because of an accident or illness to a member of the family, as defined above, and the family member dies during the leave of absence, the Company will make payment under the terms stated above to the employee.

Verification may be required for approval and/or payments under this section.

SECTION 7. Work Injury Pay.

An employee who is excused from work as a result of an injury on the job will receive pay for the date injured in an amount not less than the number of regular hours worked by other employees in the same department. With proper verification, an employee will be excused from

work with pay, not to exceed 2 hours unless beyond the control of the employee, for visits to the doctor which pertain to the same injury. Time lost will be credited toward computation of overtime for day of injury and subsequent visits.

SECTION 8. Pay Procedures.

- A. All employees will be paid by Company check on a consecutive biweekly basis, except in cases of discharge and vacation. Discharges will be paid on the next regularly-scheduled payday, or within forty-eight (48) hours if requested in writing. Vacation pay will be received per provisions in Article 16.
- B. Partial and/or incomplete pay periods or voluntary quits will be paid on the next regularly scheduled payday.
- C. No checks will be issued before the regularly scheduled pay time unless written permission is granted from the department head or designee.
- D. Paychecks will be given only to the named payee, unless a power of attorney has been signed and filed at the payroll office designating an identifiable second party authorized to receive the check.
- E. Pay upon separation from the Company will be issued only after all financial obligations to the Company for money or material have been satisfied.
- F. Upon employee's request, errors made by the Company in pay computation amounting to four (4) or more hours will be corrected as soon as possible. Errors made by the employee will be adjusted to their next paycheck.
- G. Employees who have Friday off may receive their check prior to their day off, if checks are available at the plant.

SECTION 9. Change of Pay.

- A. New Classification and Rates.

Twice during the term of the labor agreement, once in the first year, the Company and Union will meet to discuss the changes to jobs at the facility that may warrant job reclassification or regrading. Any review shall be limited to changes in job duties, responsibilities, and job content of a substantial nature within the preceding eighteen (18) months prior to the request for change in the first year of the Labor Agreement. In the event that no agreement is reached and a dispute arises, the dispute may be filed as a grievance at Step 3 of the grievance procedure. Request for reclassifications or regrades

will be submitted to the Company in writing two weeks prior to the meeting. Such meeting shall not exceed two (2) full working days.

Whenever the duties, responsibilities, or job content change substantially, the Company may at its discretion, establish a temporary rate, which will be retroactive to the effective date of the new job or classification. The new rate will be placed on the job posting notice. If the parties disagree upon a rate, the issue will be entered at Step 3 of the grievance procedure.

B. Rates on Reassignment.

Employees in any classification are expected to perform all duties to which they may be reasonably assigned. When an employee is assigned to a lower-rated job, the employee will receive the wage rate of their regular classification for the balance of the current pay period. If the employee is assigned a higher-rated job, the employee will receive the pay of the higher-rated job for hours worked in that classification.

C. Rates of Relief Assignments.

Employees whose bid jobs are not operating will be used for relief purposes, providing the employee is qualified and is within the relief work area. The Company agrees to pay the rate of the relief classification for hours worked only for operators filling in for short duration (i.e.; lunches, breaks, absences).

D. Downtime Help During General Layoff.

The Company will post at least one (1) week before the general downtime a bid for all help needed. Bids will be filled per Article 6, Section 3.

At the end of the scheduled downtime, utility workers will be returned to their regular job. Once returned, they cannot be considered utility workers until they receive a bid for the next downtime.

ARTICLE 10 - LEAVES OF ABSENCE

SECTION 1. Eligibility.

Leaves of absence without pay will be granted for good cause--if an employee suffers an injury or illness, pregnancy, or for personal reasons of short duration. The employee must submit a written request to the appropriate supervisor stating the length and purpose of such leave. A leave of absence may be extended by mutual agreement between the Company and the employee.

SECTION 2. Seniority and Job Protection.

In all cases, employees on leave of absence will keep their seniority and, when practical, receive their same work station assignment or wage scale upon returning (except military leaves).

Employees returning from injury or illness leaves will be offered their previous jobs at the current rate.

SECTION 3. Disability Leaves.

A. Personal Disability.

Employees disabled through illness or injury will be granted leave, subject to medical verification, for the full duration of the documented disability up to, but not to exceed, 365 days.

Medical leaves of absence will be granted only when the employee presents written verification from the treating physician, including the medical reason for the leave, the beginning date, and the approximate date of return. It will be the responsibility of the employee to present verification from the treating physician within seven (7) calendar days of the employee's last day worked (emergency circumstances will be considered). It will also be the responsibility of the employee to provide similar medical verification to support extensions of previously approved medical leaves prior to the employee's anticipated return to work date.

B. Industrial Illness or Injury.

Employees disabled as the result of an on-the-job illness or injury incurred through their Simplot service will be granted leave not to exceed 36 months as addressed in Article 4, Section 3., B., 3.

SECTION 4. Personal Leaves.

Leave of absence without pay for personal reason will be granted only after all accrued vacation eligibility, beyond two weeks, has been exhausted. The total amount of leave for personal reasons will not exceed twenty (20) working days in one (1) calendar year (except in cases of emergency). Company shall comply with State and Federal statutes and amendments on Family Medical Leave Act.

SECTION 5. Military Leave.

A. Short Term.

Employees fulfilling National Guard and Reserve commitments or call requirements will be granted leave without pay for the full extent of call. The employee will return to their previously assigned work station and pay rate if they return to their job immediately upon release from their short-term military obligation.

B. Long Term.

Employees fulfilling long-term military obligations (six (6) months or longer) will be granted leave without pay for the full extent of the call.

C. Statutory Requirements.

Adherence to state and federal statutes will govern the application of this section.

SECTION 6. Limitations and Penalties.

The Company will not grant a leave of absence for the purpose of performing gainful employment. Persons determined to be engaged in such activities while on leave of absence will have the leave of absence immediately revoked and will be required to report to work within forty-eight (48) hours. Failure to do so will result in termination.

ARTICLE 11 - MEDICAL REQUIREMENTS

SECTION 1. Medical Examinations.

A. Pre placement Physicals.

New employees will, if requested by the Company, submit to physical examinations and screening tests for drugs and/or controlled substances by a Company designated medical practitioner prior to placement. Cost of examination will be borne by the Company.

B. Annual Examinations.

All employees will, if requested by the Company, submit to a physical examination yearly or when requested and submit an examination certificate from a physician designated by the Company. Examinations other than those required of new employees under Section A of this Article will be paid for by the Company and taken on Company time. The doctor will advise the employee of the results of the examination.

C. Statement of Condition.

Employees absent from work as a result of a nonoccupational illness, injury, or physical impairment will be required by the Company to furnish proof of the disability by a statement of physical condition signed by the treating physician, if they had seen a doctor or were absent five (5) working days or more, as a condition of the employee's return to work.

The statement of condition will contain the following information:

- 1) Employee's name

- 2) Date seen by physician
- 3) Diagnosis or Condition treated
- 4) Dates off work (from and to)
- 5) Any comments needed to clarify the employee's illness/condition
- 6) Date of return/or expected return to work
- 7) Signature of Physician/and Date

D. Second Opinion.

In the event a controversy arises from the decision of a doctor, the Company or the employee may, at their expense, select another doctor to make a second examination. In the event of a difference of opinion between the doctors, they will mutually select a member of the medical profession to reexamine the employee. The decision of the majority will prevail. Expense of the third physical examination will be paid equally by the Company and the Union.

E. Fitness for Duty.

All employees are subject to appropriate testing for the use of drugs, alcohol, or controlled substances. Cost of the testing will be borne by the Company.

ARTICLE 12 - WORKING CONDITIONS AND SAFETY

SECTION 1. Working Conditions.

The Company will provide suitable seating for the employees in lunchrooms and rest areas. When the nature of the work is stationary, the Company will provide adequate stools or seats. Heat and ventilation will be maintained within required tolerances established by state or federal requirements.

SECTION 2. Safety Teams.

Shift safety teams (Safe Workplace Awareness Teams) will be established to assist in promoting and providing for a safe working environment. Team membership of no more than five (5) bargaining unit members per shift will participate. These teams will conduct meetings at least on a quarterly basis. Meetings will be utilized for employee training, peer review, and observation and promotion of an injury-free workplace. Minutes from the SWAT meeting will be submitted to both the Company and the Union.

SECTION 3. Emergency Safety Conditions.

If a condition of work arises where there is reasonable probability of imminent danger to personnel or property, the shop steward on that shift will immediately notify the shift supervisor. The shift supervisor will investigate the condition and inform the shop steward of action to be taken. If this action does not resolve the condition, the designated representative will meet with the plant manager within twenty-four (24) hours to attempt to resolve the unsafe condition. If they cannot resolve the issue, the Idaho State Department of Labor will be requested to immediately furnish a qualified safety specialist to resolve the safety issue complained of.

SECTION 4. Industrial Accident Reports.

A copy of the accident reports will be made available to the employee and the Union upon employee's request within 48 hours after the Company has received such request.

ARTICLE 13 - TOOLS AND CLOTHING

SECTION 1. Company Provision.

Special protective clothing required by the Company will be provided if it is not normally worn or sold for street wear.

SECTION 2. Items Covered.

The Company will supply employees, whose work assignments require, with the following personal protective apparel:

- A. Wet suits, aprons, gloves, hair nets, rubber boots, and hard hats while employed.
- B. Freezer clothing to employees not assigned to but required to enter mechanically-refrigerated areas operating at temperatures below 32 degrees F...freezer boots, insulated coveralls, freezer gloves, freezer hat liner.
- C. Employees who are required to carry tools on the job will receive replacement of tools broken while working, provided the tools are of the make and type whose manufacturer guarantees them for replacement and the tools are locally sold. Tools will be replaced only if they are required by Company to perform the job.
- D. Articles will be supplied as outlined, provided old articles to be replaced are turned in before new ones are issued. A charge will be made for articles lost or damaged by negligence or maliciousness.

ARTICLE 14 - HEALTH AND WELFARE BENEFITS

Employees covered by this Agreement will receive group insurance benefits in accordance with provisions set forth in the Caldwell plant summary plan description published by the Company and which are incorporated as part of this Agreement.

Group Insurance:

The Company agrees to provide access to a group health plan effective January 1, 2005. Eligible employee may enroll in accordance with provisions, conditions, limitations and extent of coverage as set forth in the plan document, the official description of the plan. A summary Plan Description highlighting the key provisions of the plan will be published by the Company and made available to eligible participants. The bi-weekly contribution rates are as follows:

Simplot PPO Plan	1/1/05	1/1/06	1/1/07
Employee	\$11.00	\$12.00	\$14.00
Employee + 1	\$24.00	\$27.00	\$30.00
Family	\$47.00	\$53.00	\$59.00

*PPO rate will not exceed PPO rate for Simplot salaried workforce.

No later than the first pay period in December, employees on active employment status enrolled in the current Simplot health plan as of 5-1-04 shall receive 1 (one) annual lump sum payment.

December 2004 - \$300.00 (Three Hundred Dollars)

December 2005 - \$300.00 (Three Hundred Dollars)

December 2006 - \$300.00 (Three Hundred Dollars)

Eligibility

Employees will be required to reach and maintain Regular Employee Benefit Status and work a minimum of one thousand forty (1,040) base hours in 2005 in order to qualify for medical benefits in 2006. Then, the one thousand forty (1,040) hour requirement will remain in effect for each year thereafter.

Base hours include vacation, sick time and other paid hours, but specifically exclude overtime hours. Hours worked are measured between September and August for plan eligibility for the following January. New hires will be reviewed for this requirement based on their hire date and the date they reach Regular Employee Benefit Status.

For benefit eligibility purposes, an employee reaches Regular Employee Benefit Status on the first of the month following completion of five (5) months of employment uninterrupted by quit or discharge. Should an employee be laid-off during this five month period; however, the intent of their position at hire is that they will be working 1040 base hours or more per year, the individual will continue to accumulate time during the lay-off period towards the initial eligibility.

Company modification to Life and AD&D

1-1-05 increase Life and AD&D to \$20,000

ARTICLE 15 - RETIREMENT

Section 1

Employees covered by this Agreement will receive retirement benefits in accordance with provisions set forth in the Caldwell summary plan descriptions for the Simplot Pension Plan "H" and the Simplot Retirement Savings Plan "H" published by the Company and which are incorporated as part of the Agreement, effective May 1, 1998.

The Company agrees to accept suggestions from a committee of two (2) members of the bargaining unit representing all of the employees of the J.R. Simplot Labor Agreement in Caldwell, ID, for improvements to the existing plan.

Section 2

Current Caldwell employees whose most recent hire date at Caldwell is prior to May 1, 2004 will receive the following:

- a. The Company will deposit in their savings account in January 2005, \$200.00 if the employee is on active employee status as of 12/31/04 and actively participating by deferring at least one percent (1%) of pay into the savings plan prior to December 2004.
- b. The Company will deposit in their savings account in January 2006, \$200.00 if the employee is on active status as of 12/31/05 and actively participating by deferring at least one percent (1%) of pay into the savings plan prior to December 2005.
- c. The Company will deposit in their savings account in January 2007, \$200.00 if the employee is on active status as of 12/31/06 and actively participating by deferring at least one percent (1%) of pay into the savings plan prior to December 2006.

ARTICLE 16 - VACATIONS

SECTION 1. Eligibility.

An employee will become eligible for vacation in accordance with the following provisions:

Upon attaining:

One (1) year of seniority. . . one (1) week of vacation.

Two (2) years of seniority. . . two (2) weeks of vacation.

Five (5) years of seniority. . . three (3) weeks of vacation.

Fifteen (15) years of seniority. . . four (4) weeks of vacation.

Twenty-five (25) years of seniority. . . five (5) weeks of vacation.

SECTION 2. Vacation Pay.

- A. Vacation pay will be computed on the employee's prior year's gross earnings with the exception of vacation pay and paid at one forty-eighth (1/48th) of that total for each week of vacation.
- B. Vacation pay will be paid in one (1) disbursement on a pay period following the employee's seniority date at the employee's request.
- C. Employees will not be required to take time off.

SECTION 3. Vacation Time and Scheduling.

A. Scheduling.

Vacation time will be granted to eligible employees at such times as the Company finds suitable, considering the requirements of the plant and the wishes of the employee.

B. Requests.

(1) It will be the responsibility of each employee to submit a vacation request form to the supervisor for approval. Employees may put in for vacations at any time. However, vacation time must be requested at least thirty (30) days in advance of the requested vacation period. Vacation requests will be granted on a first-come, first-served basis. If two or more employees request the same vacation at the same time, seniority will determine which employee(s) are allowed the requested time off. An answer to the request will be given to the employee within ten (10) working days.

(2) One (1) day vacation requests will be considered by the Company depending upon individual circumstances and plant needs. Such one (1) day vacations shall not exceed five (5) days in any calendar year. The thirty (30) day advance notice shall not apply to the one-day vacations.

C. Postponement and Forfeiture.

Vacations will be taken during the twelve (12) month period following the anniversary date of employment. Vacations cannot be postponed nor allowed to accumulate from anniversary year to anniversary year, but must be taken during said twelve (12) month period or all the vacation will be forfeited unless vacation time was denied by the Company.

D. Standard Week.

1) All vacation weeks will start on Monday and end on Sunday (Sunday will be included in the vacation week for time off), except that the Company may permit a change, if practical, for individual employees, if the change has been requested by the employee.

2) During seven (7) day operation, all vacation weeks will start on the first (1st) day of the employee's scheduled work week, except that the Company may permit a change, if practical, for individual employees, if the change has been requested by the employee.

SECTION 4. Separation of Employment.

A. Pro Rata Pay.

Vacation pay will be given on a prorated basis to any eligible employee upon separation.

B. Vacation Pay Formula.

One (1) week equals one forty-eighth (1/48th) of prior year's gross earnings with the exception of vacation pay. Two (2) weeks equal two forty-eighths (2/48ths) on the same formula as above. Three (3) weeks equal three forty-eighths (3/48ths) on the same formula as above, and so on for any additional weeks that may be provided.

C. Holidays During Vacation.

If a holiday falls during an employee's vacation, they will receive holiday pay in addition to their vacation pay, (Providing the employee meets the qualifications to receive holiday

pay) but will not add an additional calendar day to their vacation unless the employee requests the additional day in writing on the vacation request form.

ARTICLE 17 - HOLIDAYS

SECTION 1. Designated Days.

The list below will be designated as holidays. When federal and state holidays conflict, the Idaho state holiday will apply. In the event any holiday falls on Sunday, Monday will be observed as holiday during a 5-day operation.

1. New Year's Day
2. Good Friday
3. Memorial Day
4. Fourth of July
5. Labor Day
6. Thanksgiving Day
7. The day after Thanksgiving
8. December 24th
9. Christmas Day
10. New Year's Eve

SECTION 2. Qualifications.

Employees will qualify for holiday pay if they have a seniority date six (6) months prior to the holiday, and work their scheduled shifts immediately preceding and following the holiday, and if they work within thirty (30) calendar days prior to the holiday or seven (7) calendar days after the holiday.

Exceptions to qualifications are as follows:

1. Medically verified illness at home or in the hospital, provided the employee would otherwise qualify.

SECTION 3. Worked Holiday Pay.

If an employee works on a holiday enumerated in this Article, he/she will be paid, in addition to holiday pay, at the rate of time and one half (1 1/2) for hours worked.

SECTION 4. Unworked Holiday Pay.

- A. Employees who meet the qualifications in Section 2 will be paid seven and one half (7 1/2) or (8) hours at their regular hourly rate for the holidays listed. Holiday pay will be paid in the normal payroll sequence for the pay period in which it falls.

Employees normally assigned more than (8) eight hours will be paid for their normal scheduled hours, in the event that the holiday falls on their normal scheduled work day and that employee does not work.

- B. An employee who fails to work on a scheduled holiday will not receive holiday pay.

SECTION 5. Definition.

Holiday begins at 12:01 a.m. on the calendar day of a designated holiday and end at 12:00 midnight on the same calendar day.

Eligible employees will receive pay for the holiday in the normal pay period.

ARTICLE 18 - RULES AND DISCIPLINE

SECTION 1. Commitment.

It is understood that the plant security, safety, and sanitation rules enumerated in the "Plant Rules" will not preempt or alter provisions of this Agreement. All employees will be required to abide by these plant rules. The Company and the Union agree that all provisions of these rules will be uniformly applied to all employees in all departments, to the best of their ability, and that mutual understanding and uniform application are important to the consistent and efficient operation of the plant. It is understood that violation of these rules will result in one or more of the following: verbal acknowledgment with the employee, corrective notice and notification of violation, suspension, and/or termination (employee signs written notice as an acknowledgment of receipt only).

There are other documents available through the Company personnel office referring to the attendance program and work rules in addition to this Labor Agreement.

SECTION 2. Notification.

- A. Union Notice.

The Company will provide the Union a written notice of all disciplinary actions taken.

- B. Additions or Changes.

All amendments, modifications, or additions to the published rules will be provided to the Union with a reasonable time before implementation.

- C. Grievance Rights.

The Company recognizes the Union's right to grieve unreasonable content or application of any rule.

SECTION 3. Company Action.

- A. The Company may discharge or suspend an employee for just cause.
- B. No employee will be discharged or suspended without prior written warning except for violations of Company work rules which may result in immediate termination of employment.

- C. Warnings.

Four (4) written disciplinary notices, excluding attendance program warnings, within a twelve (12) month period will be cause for discharge. No warning notice will remain in effect for more than twelve (12) months.

- D. Time Limit.

Warning notices and corrective notices must be received within ten (10) working days of the incident, excluding attendance program warnings, or they will be deemed invalid.

- E. Corrective Notices.

A corrective notice will not be issued for an accident unless there is just cause.

ARTICLE 19 - GENERAL PROVISIONS

SECTION 1. Contracting of Work.

The Company will not contract for work of the bargaining unit on Company's premises, unless:

- A. Plant employees are not qualified due to lack of experience to do the work required.
- B. Necessary tools or equipment are not available at the plant.
- C. Such work cannot be completed within the required time limits.
- D. Work is related to factory installation, performance guarantees, and equipment warranties.

- E. The Company will notify the Union, as soon as possible, before any outside contractors are brought on site. Subcontractors shall comply with all Simplot policies on Safety and Health.

SECTION 2. Supervisory Work.

Plant personnel not part of the bargaining unit will not be permitted or assigned work normally done by the bargaining unit, except:

- A. Instructing and/or training employees.
- B. Demonstrating the correct use of tools or equipment.
- C. Acting to prevent an accident or injury to an employee or to prevent product or equipment damage.
- D. To ensure continuous efficient operation in case of absenteeism.

SECTION 3. Limitation on Strikes and Lockouts.

- A. Lockouts.

The Company agrees that while this Agreement is in effect it will not engage in any lockout of its employees.

- B. Strikes.

The Union agrees that while this Agreement is in effect it will not engage in any strike.

SECTION 4. Civil Disorder.

A plant shutdown or evacuation of any employees caused by civil disorder (including felonious threats), riot, or act of war will not hold the Company responsible for payment for time not actually worked.

SECTION 5. Temporary Work.

The Company has the right to hire and retain temporary employees, including students, to perform jobs inside the bargaining unit provided that:

- A. It is work not normally done by bargaining unit employees.
- B. The work is temporary in nature.

- C. Employees who could perform the work are not on layoff.

SECTION 6. State and Federal Statutes.

Modifications to this Agreement necessary because of conflict with or implementation of new or revised state or federal statutes will be negotiated with the Union before changes are implemented; for example, but not limited to, Occupational Safety and Health Act, Pure Food and Drug Act, Civil Rights Act, Equal Pay Act. In the event agreement cannot be reached, the matter will be referred to arbitration.

SECTION 7. Nondiscrimination.

- A. The Company agrees that it will not discriminate against an employee because of Union membership or Union activity. The Union activity will not interfere with operational or production schedules.
- B. The Company and the Union agree that there will be no discrimination because of age, race, creed, color, sex, veteran status, place of national origin, physical and/ or mental disability.
- C. Where the masculine or feminine gender has been used in any job classification or in any provision of this Agreement, it is used solely for the purpose of illustration and will not in any way be used to designate the sex of employee eligible for the position, the benefits, or other provisions.

ARTICLE 20 - GENERAL CONDITIONS

SECTION 1. Legal Compliance.

Should any court of competent jurisdiction declare any of the provisions of this Agreement invalid, it will not affect the other provisions.

SECTION 2. Employee Contact Information.

It will be the employee's responsibility to notify the Company of all changes in name, mailing address, and telephone number for the purpose of:

- A. Emergency
B. Layoff and Recall.
C. Company and benefit mailings.

ARTICLE 21 - MAINTENANCE

SECTION 1. Qualified Maintenance Support.

- A. Qualified maintenance support will include classifications of employees who work in the maintenance department, including oilers, insulators, sandblasters, and lube oil.
- B. When an opening occurs in these classifications, it will be posted in accordance with the bidding provisions of Article 6 of this Agreement.
- C. Employees in these classifications may be assigned to work with qualified plant maintenance personnel as required.

SECTION 2. Qualified Plant Maintenance and Specialized Crafts.

- A. Selection and Promotion of Qualified Maintenance Employees:
 - 1) Entry into qualified maintenance will be established by job description within a specialized area of a section. Each specialized area will contain three (3) base rate classifications within the spread of classifications listed in Appendix "A-1." Qualified maintenance employees must be qualified prior to advancement to a higher base rate classification.
 - 2) All openings for qualified plant maintenance grade 1 will be posted, and employees who fully satisfy the minimum qualifications will be eligible to bid. The job will then be awarded on the basis of seniority.
 - 3) Upgrading of qualified maintenance personnel will be based on skills, ability, and performance within the outline of the job description. Skills and ability may be tested by a qualified, independent testing agency. Performance will be evaluated by the employee's section supervisor or maintenance manager, with a shop steward representative designated by the Union to observe. Such evaluations are to be conducted every six months or less.
 - 4) When a qualified plant maintenance employee fully satisfies and has completed the qualified plant maintenance classification 10 or 11 requirements, he/she will immediately be promoted.
 - 5) Specialized crafts vacancies will be posted and bid in accordance with the seniority provisions of this Agreement. Specialized crafts may be in the following sections: welder, mechanic, sheet metal, machinist, electrical, wet line, package line, raw product handling equipment, auto shop, building and grounds, plumbing, stationary operators-boilers, compressors, electric forklift repair and ethanol plant.

- 6) If, at any time, an opening for maintenance personnel occurs at any level and there are no qualified employee bidders, the Company may fill the position from outside the Company providing the newly-hired employee fully satisfied the requirements of the position.
- 7) Requirements for upgrading of qualified maintenance personnel will be continued and changed only by mutual agreement between the Company and the Union.
- 8) A current skills checklist will be maintained for every maintenance employee.

B. Assignment of Qualified Maintenance Employees.

- 1) Qualified maintenance employees will be assigned to one of the sections in specialized areas set out in Appendix "A-2."
- 2) Maintenance employees generally work within a specialized area within a maintenance section; however, this does not limit maintenance to that area of work. All maintenance employees are expected to assist other maintenance employees when needed and may be assigned to perform work in other sections and specialized areas on a temporary basis for up to eight (8) hours when needed to complete work on schedule or in event of emergency. Maintenance employees on duty may be retained for up to four (4) hours beyond the assigned shift to complete work in progress or in event of emergency without recalling maintenance employees on layoff.
- 3) The company will be allowed a six (6) month training period when new equipment is installed before the seniority rule applies.

ARTICLE 22 - PRODUCTIVITY COMMITMENT

In the interest of promoting the operational growth and economic stability supporting their mutual future, both the Company and the Union pledge to work for and support new concepts and activities increasing the production efficiency of the Caldwell operations. It is recognized and accepted by both parties that the search for and implementation of productivity and quality improvements, through the Constant Improvement Process, will be aggressive and promote their mutual long-term interests.

In this light, both parties commit to seek and implement reasonable and practical ideas and operational changes to attain the greatest competitive advantage for the operation covered under this Agreement. In that regard, the Company may utilize selection methods for key positions which may include, as examples, appropriate written assessments and interviewing procedures, job qualifications, licensing requirements, and work simulations.

ARTICLE 23 - TERM OF AGREEMENT

SECTION 1. Term.

This agreement will become effective and will remain in full force and effect for the period ending April 30, 2007, and year to year thereafter, unless either party gives the other party sixty (60) days written notice prior to May 1 of such year of their desire to amend or terminate the Agreement. Thereafter and during the balance of the sixty (60) day period, the parties to this Agreement will meet and make every effort to agree upon the amended contract. If during the sixty (60) day period, the parties hereto will not have reached an agreement upon such amendments, then this Agreement will automatically expire and terminate.

SECTION 2. Conditions.

This document and appendices constitute the full understanding between the parties with reference to the subject matter contained and supersedes all previous agreements, oral or written. No statements of agreements made prior to or during the signing will modify the written terms. Neither party will claim any amendment, modification, or release from any provision (by mutual agreement or otherwise) unless such agreement is in writing signed by both parties and specifically stating it is in amendment of this Agreement.

FOR THE J.R. SIMPLOT COMPANY

Gary Brown
Reggie Pederson
Kenny Wright
Butch Mazza

Tim Green
Hal Julian
Isabel Julian

FOR THE TEAMSTER FOOD PROCESSORS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS, LOCAL UNION NO. 670.

Diana Franken
Don Kloss
George Raffle
Dan Ferry
Dewayne Dibben
Jed Pickrel
Benita Alonzo

Edna Portenier
Louise Rhoades
Debbie Mitchell
Mary Bautista
Gwen Bonds
David Burdine
Wanda Haines

Teamsters Food Processors,
Chaufferurs, Warehousemen
And Helpers, Local Union No. 670

J.R. Simplot Company
Caldwell, Idaho Plant

By: _____

By: _____

**APPENDIX A-1
GRADE CLASSIFICATION
WAGE SCALE**

	Effective Following Ratification 2004	Effective 5-1-05	Effective 5-1-06
Class. 1 Light Duty	10.15	10.40	10.66
Class. 2 Heavy Duty	10.31	10.57	10.83
Class. 3 Relief Operator Case Off Operator Process Control Technician - (All Lines) Raw Lab Technician	10.79	11.06	11.34
Class 3 Lead	11.07	11.35	11.63
Class. 4	11.01	11.28	11.57
Class. 5 Relief Operator Mixer Operator Paper Oil Filter/Starch Operator Production Forklift Operator Materials Forklift Operator Outside Sanitation Temp. Downtime Utility Helper Temp. Downtime Maint. Helper	11.99	12.29	12.60

Class. 6	13.05	13.37	13.71
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Relief Operator
Automatic Palletizer
Blancher/Dryer Operator
Hash Brown Shredder Former
Hash Brown Blancher Operator
IQF Shredder Former
Recovery Operator (2 yrs. exp.)
Bacteriology Lab Technician
Quality Assurance Technician

Class 7	13.34	13.67	14.01
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Packaging Operator - Incorporate Transwrap Operator into group
Line Operator (wet)
Relief Operator
Cutterdeck Operator
Fryer Operator
Oil & Caustic Operator
Peel Line Operator
Process Control Operator
Freezer Forklift Operator
Bacteriology Lab Technician (Certified)

Incumbent Class 9 operators will retain their current rate of pay (\$14.02) until equals or exceeds current rate.

Class. 8	13.94	14.29	14.65
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Recovery Operator (State Certification 1)

Class. 9	14.37	14.73	15.10
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Oil & Caustic Leadperson
Maintenance Utility
Recovery Operator (State Certification 2)

Class 9A	14.65	15.01	15.39
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Area Facilitator
T.Q.M. Facilitator
Ethanol Area Operator

APPENDIX A-3

Holiday Calendar	2004	2005	2006
New Year's Day	01/01 Thursday	01/01 Saturday	01/01 Sunday
Good Friday	4/09 Friday	3/25 Friday	4/14 Friday
Memorial Day	5/31 Monday	5/30 Monday	5/29 Monday
Fourth of July	7/04 Sunday	7/04 Monday	7/04 Tuesday
Labor Day	9/06 Monday	9/05 Monday	9/04 Monday
Thanksgiving	11/25 Thursday	11/24 Thursday	11/23 Thursday
Day after Thanksgiving	11/26 Friday	11/25 Friday	11/24 Friday
December 24th	12/24 Friday	12/24 Saturday	12/24 Sunday
Christmas Day	12/25 Saturday	12/25 Sunday	12/25 Monday
New Year's Eve Day	12/31 Friday	12/31 Saturday	12/31 Sunday

Class. 10	15.46	15.84	16.24
Recovery Operator (State Certification 3)			

Qualified Maintenance

Boiler
Compressor
Relief Boiler/Compressor
Environmental Mechanic
Electrician (Non-Licensed)
Logistics Maintenance
Ethanol Mechanic
Machinist
Package Line Mechanic
Recovery Mechanic
Refrigeration Technician
Systems Service Mechanic I
Wet Line Mechanic

Ethanol Area Operator

Class. 11	16.68	17.09	17.52
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Ethanol Mechanic Lead
Qualified Maintenance

Class 11 A	22.29	22.85	23.42
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Maintenance Support
Facilitator/Journeyman
Electrician

Class 11 e	19.84	20.34	20.85
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Electrician (Non-Licensed)
System Service Technician

Class 11 j	21.29	21.82	22.37
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Journeyman Electrician

Class. 12	17.57	18.01	18.46
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Qualified Maintenance

Class 12 a	18.46	18.92	19.39
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Area Maintenance/Palletizing Facilitator
Maintenance Support Facilitator
Maintenance Packaging Facilitator

(Working lead to be paid \$.25 extra)

An employee whose job title is inadvertently omitted will receive the wage increase of comparable classification.

The Company agrees to form a Union-Management committee to review and update job descriptions during the life of the Labor Agreement.

Special Compensation:

A. Clothing Allowance.

The company will supply Cold Weather Clothing to all employees regularly assigned and scheduled for work in mechanically-controlled temperature areas, such as plant freezer and plant cold storage, operated below 32 degrees F.

Employees will be required to sign for clothing when issued and shall be responsible for care of the clothing. Employees will be required to return worn or damaged clothing before replacement is issued. Employees will be charged for replacement of clothing so furnished if the clothing is damaged or lost due to carelessness or if the employee fails to return clothing.

List of Clothing provided: Head Covering , Bibs, Coat, Gloves, Boots and Long Johns.
(Not eligible for Safety Shoe program).

The Company will provide the Union with copies of all job descriptions as they are revised, also when requested by union.

APPENDIX A-2

**Specialized areas within qualified maintenance
that would be bid within the department:**

1. **Wet Line Maintenance Section**
2. **Package Line Maintenance Section**
3. **Electrical Section**
4. **Stationary Operators Section**
 Boiler/Compressor
5. **Ethanol Plant**
6. **System Service Technician**

APPENDIX A-3

Holiday Calendar	2004	2005	2006
New Year's Day	01/01 Thursday	01/01 Saturday	01/01 Sunday
Good Friday	4/09 Friday	3/25 Friday	4/14 Friday
Memorial Day	5/31 Monday	5/30 Monday	5/29 Monday
Fourth of July	7/04 Sunday	7/04 Monday	7/04 Tuesday
Labor Day	9/06 Monday	9/05 Monday	9/04 Monday
Thanksgiving	11/25 Thursday	11/24 Thursday	11/23 Thursday
Day after Thanksgiving	11/26 Friday	11/25 Friday	11/24 Friday
December 24th	12/24 Friday	12/24 Saturday	12/24 Sunday
Christmas Day	12/25 Saturday	12/25 Sunday	12/25 Monday
New Year's Eve Day	12/31 Friday	12/31 Saturday	12/31 Sunday

New skill standards implemented for incumbent employees will be developed, reviewed with employees and union representation. A letter of agreement specifying new requirements of incumbent employees will be approved by the company and the union.

APPENDIX A-4

TEAMSTERS COUNCIL #37 FEDERAL CREDIT UNION - PAYROLL DEDUCTION

The Company agrees that it will deduct from the employee's paycheck each month the amount he/she designates by filling out a Teamsters Council #37 Federal Credit Union payroll deduction form. This amount of money shall be received by the office of the credit union within five (5) days of the deduction.

APPENDIX A-5

LABOR/MANAGEMENT COMMITTEE

Creation of a Joint Labor/Management Committee to meet at least semiannually.

The Company and the Union shall establish and maintain a Joint Labor/Management Committee. The management representatives to the Joint Labor/Management Committee will include plant management. The employee representatives to the Joint Labor/Management Committee shall include up to six (6) members of the Negotiating Committee, in addition to representatives of Teamsters Local Union No. 670.

The Joint Labor/Management Committee shall meet no less than semiannually for the purpose of discussing issues of mutual concern. The purpose of the Joint Labor/Management is to facilitate communications between employees and management and to discuss issues of mutual concern in an advisory capacity. Issues that are discussed in these meetings may also include items regarding interpretation of contract language, which are subject to the grievance procedure or Federal Mediation and Conciliation Service.

Employee representatives on the Joint Labor/Management Committee will receive up to one-half days pay at the straight time rate the employee received for the shift the employee last worked prior to the Joint Labor/Management Committee meeting. Any additional time spent on the Joint Labor/Management Committee activities is understood to be voluntary and without additional compensation from the Company.

Organizational aspects of the Joint Labor/Management Committee may be discussed by its members from time to time. An agenda will be prepared and minutes or a report maintained for all meetings.

AGREEMENT

This Agreement made and entered into this 27th Day of July, 2004, by and between the J.R. Simplot Company food processing plant at Caldwell, Idaho, referred to hereinafter as the "Company" and Teamster Food Processors, Drivers, Warehousemen, and Helpers, Local Union No. 670, affiliated with Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Independent, being referred to hereinafter as the "Union."

ARTICLE 1 - RECOGNITION AND BARGAINING UNIT

SECTION I. Recognition.

Pursuant to the National Labor Relations Board election (re: Case No. 19-RC-8319) held May 3, 1977, at Caldwell, Idaho, as stipulated by National Labor Relations Board Certification of Representation dated June 27, 1977, the "Company" recognizes the "Union" as the collective bargaining agent and representative for those employees within the bargaining unit in regard to rates of pay, hours of work, and conditions of employment.

SECTION 2. Definition of Bargaining Unit.

A. Included.

The following employees constitute the unit appropriate for collective bargaining. All production, maintenance, ethanol plant, and quality control laboratories at the employer's food processing plant at Caldwell, Idaho.

B. Excluded.

The following employees are excluded: professional, office/clerical, research and development laboratory personnel, contract seed cutters, stockroom personnel (except general labor), temporary construction employees, guards, pilot plant, potato storage, irrigators, and plant management personnel.

ARTICLE 2 - MANAGEMENT RIGHTS

SECTION I. Protection.

Except as modified by the terms of the Agreement, the Company will manage the plant and direct the working force.

SECTION 2. Partial Definition.

Management of the plant includes the right to plan, direct, and control plant operations; to establish production schedules; to hire, assign employees to work, transfer employees from one job to another or one department to another; promote, demote, discipline, suspend, or discharge employees for proper cause; to relieve employees from duty because of lack of work or any other legitimate reason; to introduce new or improved production methods or facilities; to introduce new and improved methods of transporting products; to change, remove, or relocate existing production methods or facilities, and the right to make and uniformly enforce its plant rules and carry out the functions of management.

ARTICLE 3 - UNION SECURITY

SECTION I. Membership, Right to Work Status.

Membership in the Local Union is voluntary and is not a condition of continued employment.

SECTION 2. Deductions - Withdrawal.

The Company shall, for any employee who voluntarily submits an individually-signed authorization card, in the form agreed upon between the Company and Union, deduct the dues and/or initiation fees and remit them to the Union by the end of each month.

SECTION 3. Indemnification.

The Union will indemnify and hold the Company harmless against any and all claims, demands, suits, and other forms of liability which will arise out of the Company's compliance with the deduction of dues and discharge of employees under Article 3.

SECTION 4. Union Postings.

The Company will post official Union notices that are not considered to be derogatory to the Company on those bulletin boards having space designated, "For Official Union Notices." Copies of all notices will be furnished by the Union to the personnel manager prior to posting.

SECTION 5. Notification.

The Union will be advised each month of the names of new employees and their department, shift and social security number. When the Company discharges a non probationary employee, they will advise the employee and the Union in writing.

SECTION 6. Visitation Rights.

The Company agrees to admit authorized Union representatives to its facility. A letter from the Secretary-Treasurer of Local Union No. 670 will be sent to the Company advising the names of the authorized representatives for the purpose of observing the application of this Agreement and adjusting grievances. These activities will be discharged in a manner avoiding unnecessary loss of time or disruption of work schedules. The Union representatives must first notify the shift manager or the plant personnel manager of their desire to visit the plant and obtain agreement for such visits, stating the person(s) to be seen, and reasons for visiting certain areas of the plant. Admission will not be unreasonably denied. The Union agrees to provide names of all designated stewards to the Company and to counsel them on the limits of their responsibilities. The Company will allow the designated stewards one day per year to meet, without pay.

ARTICLE 4 - SENIORITY

SECTION 1. Definitions.

A. For purposes of this Agreement, "seniority" will be defined as a ranked status among those employees within the bargaining unit achieved through the accumulation of unbroken service.

B. Departmental Application.

The term "Departments" means the following nine (9) departments: (1) Raw Product; (2) Warehouse Distribution Center; (3) Maintenance; (4) Package (Finished Product); (5) Wet Line (Processing); (6) Quality Assurance; (7) Recovery Plant; (8) Sanitation; and (9) Ethanol Plant.

SECTION 2. Determination and Accrual.

A. Determination.

As new employees report to work, their seniority number will be assigned in accordance with the individual's date and sequence of actual employment. The number will be assigned on the first day actually worked.

SECTION 3. Loss of Seniority.

A. Factors not creating a loss of seniority.

Seniority will not be broken due to layoffs or any other type of approved absence which does not exceed 365 calendar days.

B. Factors creating a loss of seniority.

An employee will lose all of their accrued seniority as the result of any of the following occurrences:

- 1) Quits.
- 2) Is discharged for just cause.
- 3) Has not worked for a period of twelve (12) consecutive months, except in the case of an on-the-job injury, for which the twelve (12) month period will be extended to thirty-six (36) months, unless extenuating circumstances require additional time for medical evaluations.
- 4) Fails to return upon recall from layoff, including voluntary layoff, within three (3) days of receipt of a certified letter or the certified letter returns unclaimed (unless the employee presents valid cause to the personnel office within thirty (30) calendar days).
- 5) An employee fails to return from a leave of absence without verified reasonable excuse unless an extension is arranged through the personnel department and approved by the employee's supervisor.
- 6) Retires pursuant to the retirement plan contained in Article 15 of this Agreement.

C. Moves to Salaried Status.

Employees moving to any Simplot salaried or nonunion payroll will retain their bargaining unit seniority for six (6) months from the date work is begun outside the bargaining unit.

SECTION 4. Probation.

A. Definition.

For purposes of this contract, "probation" will be a status of employment under which the employee will accrue no seniority, and have no recourse to management's unilateral decisions regarding the continuation of their employment.

B. Purpose and Duration.

1) Purpose.

All newly hired employees will be placed on probation as a condition of hire to allow for a reasonable assessment of their skills, abilities, and general compatibility with workers and the work environment.

2) Duration.

Individuals will remain on probation until they have worked thirty (30) days; if they are not terminated during this period, they will be granted regular employment status and seniority back to their first day worked.

3) Breaks in Probationary Period.

If any employee does not complete thirty (30) days worked during their first period of employment and is recalled within one (1) year from the date of layoff, the worked days spent on the payroll in all future periods will be added to the time already accrued until thirty (30) days are worked.

4) Performance Reviews.

Probationary employees will receive individual performance reviews before the fifteenth (15th) day worked and again prior to the thirtieth (30th) day worked.

5) Obligation.

There will be no Company responsibility or obligation for the reemployment or continued employment of probationary employees.

SECTION 5. Utilization.

A. Holiday and Weekend Work.

Weekend work will be defined as that work performed on Saturdays, Sundays, and holidays when the plant is not operating on a seven (7) day work schedule.

B. Cleanup or Partial Department Operation.

1) Definition.

Cleanup or partial operation will be defined as any day the plant is cleaning up or repackaging.

- 2) The following sequence will be used provided that if an employee is scheduled off on the cleanup or partial operation day that person would only be used after steps "a" through "d" have been exhausted.

Employees requesting the work must sign the sign-up log. Work will be assigned in the following manner under the conditions below.

- a) To the senior-qualified employees on the shift having the partial production or cleanup who have signed the sign-up sheet.
- b) Assign all remaining classification 2 employees on that shift, whether working Class 1 or 2 by reverse seniority.
- c) Allow employees from other shifts who have signed the sign-up sheet and are not scheduled to be off.
- d) Assign in reverse seniority classification 1 employees on the shift having partial production or cleanup. Classification 1 employees will be used to clean all areas other than the freezer tunnels, cutter, fryers, blanchers, peelers, and dryers.

C. Warehouse Department/Partial Department.

- 1) Definition.

Any day the work loads require less than a full crew.

- 2) Except as otherwise provided in this agreement, employees will be retained on a senior may/junior must basis by bid job.

D. Transfers.

Only employees in classifications 1 and 2 will be permitted transfers between shifts. Transfers will be effected by plant seniority on a written request filed with the personnel office. Transfers by this method will be accommodated, provided suitable replacements are available.

No more than one (1) transfer per employee will be permitted in a calendar year. The employee will have thirty (30) calendar days from the date of transfer to return to the original shift.

E. Seniority List.

The Company will post a current seniority list in a convenient, conspicuous place in plant 1, plant 2, freezer department, and ethanol plant. Employees will have ten (10) days in which to file an objection to the date and the number representing their seniority. Employees not filing an objection will thereby have agreed to the correctness of the seniority list. The seniority list will be brought up to date on October 1 and March 1 of each year and reposted. The Union will be given a corrected copy of the seniority list.

F. No Bumping.

Nothing in this Article will be construed as permitting any employee to bump another employee from a bid job, except during general layoff.

Exception:

Realignment by seniority will be permitted into Classification 2 Bid positions on the employee's home shift provided the employee meets the qualifications of the position.

It will be the responsibility of the employee to qualify and maintain their qualifications annually by working a minimum of fifteen (15) hours in Classification 2 and demonstrating job knowledge twice within the year from their initial qualification date. If an employee disqualifies themselves from the job classification or qualifications it will become effective thirty (30) days or sooner if mutually agreed upon by the company and employee from the date of filing such notice.

G. Workweek Assignment Under Seven-Day Operation.

- 1) Each employee will be assigned two (2) consecutive days off by seniority within each group on each shift.
 - a) Groups will consist of similar jobs within the same classification(s) or maintenance section(s).
 - b) Relief operator positions will be included in the same group as operators.
 - c) A copy of these groups will be furnished to the Union upon the Union's request.
- 2) Days off will be awarded to the senior qualified employee within each group. The number of employees on any day will be determined by availability.
- 3) Employees will be allowed to change their days off by seniority every quarter.

Quarters are: March, June, September and December.

- a) Production employees must submit a change in writing, to the ESR before the fifteenth (15th) day of the month preceding the quarter, to change their days off. All other employees must submit a change, in writing, to their immediate supervisor before the fifteenth (15) day of the month preceding the quarter, to change their days off. Employees may have off any two (2) consecutive days if their seniority permits.
 - b) The Company will realign the days off the first full week of the new quarter. It is the employee's responsibility to notify the ESR or their supervisor of days off choices. The Company will post realigned work schedules on the bulletin boards.
- 4) Employees who receive a bid job will assume the days off for that job for the balance of the current Quarter.
- 5) Rotating Relief.
 - a) For those areas where it is necessary, relief persons may be used on more than one shift.
 - b) The rotating relief person will have seniority on the shift where the most relief occurs.
- 6) Scheduled vacancies will be defined as any vacancy scheduled 24 hours in advance and 4 hours or more in duration other wise treated as unscheduled.
 - (a) Scheduled Vacancies:
 - 1. In situations where temporary vacancies are scheduled 24 hours or more in advance, the work shall be offered to senior qualified employee(s), in order of seniority in the Job Group on the shift. If such employee is not available, then:
 - 2. Senior qualified employee(s) on shift, if such employees is not available, then:
 - 3. The senior qualified employee(s) in the Job Group on the shift that is not scheduled to work (day off) and has registered their desire to volunteer for available work (Sign up list). If such employee(s) is not available then:
 - 4. The work shall be offered in order of seniority to other qualified employee(s) on the shift who are not scheduled to

work (day off) and have registered their desire to volunteer for available work.

Upon determining the duration of a temporary vacancy, the Company will, within twenty four (24) hours treat the vacancy as "scheduled" and the work shall be offered and scheduled on the appropriate shift as indicated above.

If the employee(s) on his/her day off is unavailable the vacancy shall be treated as "unscheduled". Unscheduled vacancies will be defined as any vacancy scheduled with less than 24 hours notice.

(b) Unscheduled Vacancies Shall be Filled by:

1. Offering the work to the qualified employee(s) from the job group on the shift in order of seniority. If such employee(s) is not available then by:
2. Offering the work in order of seniority to employee(s) from other shifts currently performing the bid job, who have registered their desire to volunteer for available work, by holding over and/or calling in, whichever is appropriate. If such employee(s) is/are not available, then by:
3. Offering the work in order of seniority to qualified employee(s) from other shifts, who have registered their desire to volunteer for available work, by holding over and calling in, whichever is appropriate, if such employees is not available then:
4. The least senior qualified employee in the job group shall be required to perform the work.

All Departmental seniority rules will apply for scheduled and unscheduled vacancies.

7) Ethanol Plant Operations.

- a) Full-time operators will work Monday through Friday with Saturday and Sunday off.
- b) Relief employees will work Saturday and Sunday for two (2) twelve (12) hour shifts.

- c) When call ins are necessary to ensure efficient and continuous department operations relief employees may be utilized until they reach a normal forty (40) hour work week. At that time call ins would be by senior qualified employee. The parties confirm that nothing in this agreement requires the company to work an employee at overtime rates when another qualified employee is available to perform the work at a lower rate.

However, any affected employee will not be required to work on a normal day off, if an employee with less seniority is available, and shall not be subject to disciplinary action. This does not prevent an employee from voluntarily accepting work.

8) Warehouse Distribution Center.

- a) The Company may implement variable hours of work schedules which will be mutually agreed between the Company and the Union and voted by a majority of affected employees. Such schedules shall include at least two (2) consecutive days off. Such positions shall be subject to a volunteer sign-up basis, and will be assigned to qualified employees in the inverse order of seniority if there are insufficient volunteers.
- b) The parties confirm that nothing in this Agreement requires the Company to work an employee at overtime rates when another qualified employee is available to perform the work at a lower rate. Employees will not be required to work on their scheduled days off to accommodate this provision.

H. Exceptions.

- 1) In order to provide for instances where specialized skill, or experience, and ability are necessary, the Company may make exceptions in order to ensure efficient and continuous plant operations. These exceptions may be used only in an emergency and may not exceed one (1) full shift.
- 2) The shift will terminate for individuals as product clears area or station.
- 3) In order to provide for the efficient operation of the plant, the Company may desire to significantly change its plant scheduling, with regard to hours of work, during the term of this Agreement. In any event, the Company and the Union will negotiate and reach a mutual agreement prior to any implementation. Such modifications will be presented for a vote of the affected employees.

ARTICLE 5 - LAYOFF AND RECALL

SECTION 1. Layoffs.

A. General Layoff (when plant is not in production).

- 1) All employees will be laid off, except those needed for plant protection.
- 2) Employees, as required, will be called back to work pending a general recall, by plant seniority, qualifications being sufficient.
- 3) Warehouse Department determined by department seniority, shift, and by bid job.

B. Scheduled Routine Layoff (when plant is in production).

- 1) **5-Day Operation.**
When it becomes necessary to reduce the work force because of a scheduled routine layoff, then layoff will be by plant seniority within each department and shift.
- 2) **7-Day Operation.**
Reduction of the work force because of a scheduled layoff (such as line shutting down) will be by job group, i.e., operator or relief, shift, and seniority.

C. Emergency Layoff.

When it becomes necessary to reduce the work force at the plant due to an emergency condition, reduction will not include realignment of days off. Layoff will be as follows:

- 1) If less than twenty-five (25) employees are affected, layoff will be by plant seniority on that shift.
- 2) If twenty-five (25) or more employees are affected, those employees affected will be laid off, without regard to their seniority, but the Company will, within twenty-four (24) hours, realign the work force consistent with a scheduled routine layoff in paragraph B above.

D. Layoffs Within The Maintenance Department.

- 1) Reductions will be made by specific job, by shift, by classification, by seniority. The person being laid off one shift will have these options:
 - a) Move to another shift within the same section if their seniority is greater than a person assigned to that shift.

- b) To work class 1 or class 2 on their home shift, seniority permitting, or request permanent transfer to another shift.
 - c) Take a voluntary layoff with the option of working class 1 or class 2 on their home shift, seniority permitting, at a later date, or request permanent transfer to another shift.
 - d) Classification 9 will be the first laid off, then 10, then 11, by department seniority.
- 2) Recall in maintenance for temporary work of less than one (1) week will be by departmental seniority by shift, in the reverse order of D 1) d) above. For more than one (1) week, total department seniority will be used.
 - 3) Maintenance Department employees hired prior to June 1, 1992, will use their plant seniority date for department seniority.

E. Layoffs Within the Warehouse Distribution Center.

Reductions will be made by department seniority, by shift, and by bid job. Employees laid off in excess of two (2) working shifts will be allowed to exercise plant seniority.

F. Voluntary Layoff.

When it becomes necessary to reduce the work force, the following procedure will be followed:

- 1) The senior employee in the classification affected will be given the opportunity to volunteer for layoff. If there are no volunteers, procedures for routine layoff will be followed.
- 2) During a voluntary layoff, only seniority will accrue.

G. Definition.

For the clarification of this section, Saturdays, Sundays, or scheduled days off on a seven (7) day operation are not defined as layoff.

SECTION 2. Recall.

A. After General Layoff.

When the work force is recalled after general layoff, it will be by plant seniority on the shift, by department, qualifications being sufficient.

B. After Scheduled Routine Layoff.

Recall after scheduled routine layoff will be in reverse order of layoff.

C. After Voluntary Layoff.

Employees electing to return from voluntary layoff must make a formal request which will be honored at the beginning of the next work week, subsequent to a minimum notice of two working days, or the employee will be realigned that day if possible.

ARTICLE 6 - POSTING AND BIDDING

SECTION 1. Requirements and Exceptions.

A. Requirements.

When a regular job vacancy covered by the classifications contained in this Agreement occurs or when any new job is created within the bargaining unit, the opening will be posted and filled according to the parameters of this Article.

All temporary vacancies of a regular bid position scheduled to last more than thirty (30) calendar days will be posted and bid as temporary stating the estimated duration of the temporary vacancy and filled according to the parameters of this Article.

B. Exceptions.

When immediate action is necessary to avoid interruptions of operation, the supervisor may temporarily appoint any available employee, provided the employee is qualified to perform the job and the safety of the employees is not jeopardized.

SECTION 2. Time Limits.

The Company will have up to forty-eight (48) hours to determine whether to post and fill the position on a permanent basis, unless Company and Union mutually agree to additional time.

Notices will remain posted for twelve (12) working shifts during production or four (4) working days non production periods.

Bids will be accepted in the ESR Office on all posted positions, until 4:00 p.m., on the date the posting expires.

SECTION 3. Notification and Award.

A. Postings.

- 1) Immediate Openings.
Postings will denote job title (to mean also relief), shift, number of openings, department, classification and pay rate, together with the minimum qualifications required. A copy of all job postings will be provided to the Union.
- 2) Anticipated Needs.
The Company may post for future needs based on anticipated requirements on exactly the same basis as immediate vacancies.

B. Awards.

- 1) Senior Qualified Bidder.

All posted positions will be awarded to the most senior-qualified bidder with the greatest plant-wide seniority who meets the basic skills requirements.

- 2) Rejected Award.

If the employee awarded a bid rejects such award, the next most senior-qualified Bidder who meets the basic skills requirements will receive the award.

All successful bidder(s) will be placed into the open position(s) within thirty (30) calendar days or notified in writing as to why they have not been placed and given an expected placement date. All bids not awarded within thirty (30) days will be re-bid.

The Company will post a notice of all canceled bids with a copy to the Union. When a job bid is awarded, the Company shall post the name of the selected employee with a copy to the Union.

SECTION 4. Rights and Limitations.

A. Rights.

- 1) An employee has the right to exercise their seniority to obtain any position for which they are qualified through the use of the posting and bidding system.
- 2) An employee, absent not over ten (10) calendar days or on vacation for no more than twenty one (21) calendar days will upon their return to-work be allowed two (2) days to review bids in the personnel office and to exercise their seniority to any job posted during their absence.

B. Warehouse Distribution Center Positions.

Effective July 4, 1992:

- 1) Employees bidding from the plant to the Warehouse Distribution Center will not be entitled to bid out of the department for a period of three (3) months beyond the trial and evaluation period, as described in Section 5 of this Article; unless the employee must give up their bid job due to medical restrictions aggravated by the working environment or is removed by the Company.
- 2) In the event that an employee returns to the plant within the thirty (30) day trial and evaluation period, such employee shall be returned to the plant as a Class 2, unless the employee must give up their bid job due to medical restrictions aggravated by the working environment or the employee is removed by the Company, in which case the employee will be returned to their previous bid job.
- 3) After four (4) months in the Warehouse Distribution Center, an employee shall be entitled to bid any available bid position in the plant.
- 4) No employee will be required to report to work without having a minimum of twelve (12) hours off from the last time worked.

C. Limitations.

- 1) An employee may hold only one (1) bid position, with the exception of the following:
 - a) Trainee positions for forklift operator.
 - b) Temporary downtime utility helper during general layoff.
 - c) Maintenance Helper positions are to be utilized primarily on scheduled cleanup days, general downtime and other days as necessary. This rate would only apply for time worked.

- 2) An individual's right to bid, for purposes of effecting a shift change, lateral or regressive move, will be limited to one move per season.
- 3) The employee has the right to accept or reject a different position, but will be limited to two (2) rejections per twelve (12) month period. A rejection is defined as: A) being selected for and released to the position but not accepting or B) the employee rejects the position after starting the new job, with the exception of an employee giving up their current bid to accept a higher paying bid job. An employee shall not accept no more than two (2) bids per 12 months with a minimum of six (6) months in the position before making another accepted bid.

SECTION 5. Trial Period and Evaluation.

A. Purposes.

All employees awarded a position through the bid procedure will be placed on a "trial period" to assess their ability to perform and their general compatibility to the new environment before being granted a permanent status in the new position.

- (1) An employee who after starting the trial periods elects to withdraw within fifteen (15) working days shall return to their prior job and shall not be eligible to bid for that same position for the next six (6) calendar months.
- (2) An employee who is disqualified by the Company during the trial period shall return to their prior job and shall not be eligible to bid for that same position for the next six (6) calendar months.
- (3) An employee who after starting the trial period elects to withdraw after fifteen (15) working days will be assigned to Class 1 and shall not be eligible to bid for the same position for twelve (12) calendar months.
- (4) An employee, who completes the trial period and is disqualified by the Company, will be assigned to (Class 1) and shall not be eligible to bid for the same position for twelve (12) calendar months.

B. Duration.

The trial period for all positions will range from a minimum of five (5) days worked to a maximum of thirty (30) days worked.

C. Evaluations.

During the trial period, the employee will be given two (2) regularly spaced evaluations. The evaluation will be in writing, signed by the employee and immediate supervisor, and a copy given to the employee.

SECTION 6. Pre trained Employees.

The following positions will be filled only through selection from pre trained employees and will be subject to the standard probation period upon filling the actual bid position.

A. Forklift Operator Positions.

A pool of pre trained drivers will be created through routine postings for training positions which will be filled through the standard posting and bidding procedure. After completing the required training at their current regular rate of pay, the successful bidders will then comprise the pool from which the full-time forklift positions will be filled. The standard applications of seniority will apply in determining the award of such positions from the pool.

A separate pool for the Warehouse Distribution Center of Pre trained Hyster Drivers will be created using the same process as contained in the paragraph above.

B. Recovery Plant Positions.

Entry level positions, classification 5, will be filled by open posting. All other recovery plant operator positions will be filled by those employees possessing the proper state certification, as follows:

1) Bidding and Progression:

Classification 5 . . .	Entry Level
Classification 8 . . .	State Certification 1 Requirement
Classification 9 . . .	State Certification 2 Requirement
Classification 10 . . .	State Certification 3 Requirement

2) Certification Work and Requirements.

- a) All Class 5 employees will be required to work for and successfully complete the State Certification 1 on two (2) available test date or they will be removed from their bid position.

State certification 1 will result in promotion to the class 8 pay structure. All current Recovery Plant employees will be "Grandfathered" and will be exempt from the State Certification 1 testing requirement. All future employees hired into this department will be required to meet the State Certification 1 standards as noted above.

- b) All State Certification one (1) employees will be required to work for and successfully complete the state certification two (2).
- c) State Certification 3 will not be mandatory, but will be paid at a Classification 10 pay structure if an employee obtains this level of professionalism.
- d) Employees failing state exams, for certification 1, may at the discretion of his supervisor, be given an additional six (6) months to gain certification before being removed from the bid position.
- e) The Company will pay for course material and will reimburse the employee for examination costs, when successfully completed. The Company will pay for the yearly recertification renewal fee.

C. Ethanol Plant Positions.

The entry level will be filled by an open posting; all other ethanol plant positions will be filled by the following procedures:

- 1) First on a voluntary basis of the full-time operators, by seniority on any shift, and then by relief ethanol operators, by seniority on any shift.
- 2) If there are no relief employees bidding, then by open bid.

ARTICLE 7 - GRIEVANCE AND ARBITRATION PROCEDURE

SECTION 1. Purpose.

- A. All time frames set forth are intended to promote prompt resolution to the issue and will be adhered to in absolute terms. Failure, by either party, to adhere to the time limits established beyond Step 1 will automatically move the grievance to the next step level, and the new time limits will again commence until the issue reaches Step 4.
- B. Time limits may be extended by mutual agreement between the parties.
- C. Failure by either party to comply with the time limits set forth in Step 4 will constitute a forfeiture of the issue by the party failing to comply.
- D. All time limits in this Article will exclude Saturdays, Sundays, and all holidays.
- E. A grievance must be presented within ten (10) working days of the occurrence or awareness of the occurrence. Otherwise it will constitute forfeiture.

SECTION 2. Grievance Representation.

An employee may have a shop steward present at any step of the grievance procedure. A business representative will be present at Step 3.

SECTION 3. Issues of Preemption.

Discharge grievances and Company or Union grievances will start at Step 3.

SECTION 4. Step Procedure.

The following shall be the procedure for settling any grievance by both parties arising out of the interpretation and application of this Agreement.

Step One.

A grievance will be presented verbally to the employee's immediate supervisor by the employee and/or shop steward. The supervisor must give a written reply within three (3) working days.

Step Two.

Any issue not satisfactorily resolved in Step 1 will be reduced to writing on a mutually agreed upon form and submitted by the employee and/or business agent to the plant personnel manager within ten (10) days from the supervisor's response.

Step Three.

A meeting will be arranged by the personnel manager with the Union representative within five (5) days after receipt of the grievance. Within three (3) days after the meeting, the personnel manager's written decision will be forwarded to the Union representative. If the decision is not acceptable, it may then be referred to the next step by submission of a written request within ten (10) days of receipt by the Union representative.

Step Four.

A meeting between the parties will be arranged by the personnel manager and the administration manager within five (5) days after receipt of the Union's notice of disagreement. Within five (5) days after the meeting, a written decision will be provided to the Union representative. If the decision of the Company is not acceptable, it may be referred to the arbitration process within ten (10) days following receipt of the decision by the Union representative.

Step Five.

Any arbitrable matter under this Agreement is to be settled as follows:

- 1) The party raising the issue will give the other party a clear statement of the issue to be arbitrated as part of the notice of arbitration. This statement will show:**
 - a) Brief statement of the question at issue.**
 - b) The contract clause allegedly violated.**
 - c) The requested remedy.**
- 2) Upon receipt of the notice of intent to arbitrate, the second party will, within five (5) days, inform the first party of its agreement to the statement of issues or proposed amendments.**
- 3) An impartial arbitrator will be selected from a panel of five (5) arbitrators provided by the Federal Mediation and Conciliation Service by a process of alternately striking names. The person so selected will be accepted as the arbitrator, provided that the five (5) arbitrators whose names are submitted by the federal service will be impartial. If it is discovered that any of them have an interest in the arbitration either by reason of such arbitrator having an active membership in any labor union or being an employee or creditor of the Company, the arbitrator and one other, selected by lot, will be stricken from the list.**
- 4) The arbitrator selected will decide the merits of the issue or issues defined earlier. Lack of resolution of the issue will be no bar to arbitration. The award of the arbitrator must be rendered within thirty (30) days unless extended mutual agreement after submission and will be final and binding upon the parties.**
- 5) The arbitrator will have only such jurisdiction and authority to interpret and apply the provisions of this Agreement as necessary to the determination of the arbitrable issue and will not have power to add to, subtract from, modify, or alter the provisions of this Agreement.**
- 6) Expense and compensation of the arbitrator and other incidental expenses of the arbitration will be divided equally between the Company and the Union.**
- 7) Notwithstanding the above, cases involving allegations of discrimination or harassment based upon sex, race, color, religion, age, national origin or disability and/or acts of retaliation by one or more bargaining unit employees against one or more company employees that remain unresolved shall be submitted to an Arbitrator with experience in such cases jointly selected by the Company and the Union whose decision shall be final and binding. Upon**

ratification of the contract and each anniversary date thereafter, the parties shall request a list of seven arbitrators residing within the states of Idaho, Washington, and/or Oregon who have experience in deciding statutory employment law discrimination cases. Said list will be furnished by FMCS if possible or directly by the National Academy of Arbitrators from among its members. Selection shall be made from this list during the year it is in effect by the parties alternatively making the first strike from each usage of the list.

ARTICLE 8 - HOURS OF WORK AND OVERTIME

SECTION 1. Terms of Employment.

Nothing contained herein will be construed as a guarantee of employment.

SECTION 2. Workweek as Defined.

For five (5) day operations, the workweek will consist of seven (7) consecutive days and will begin at 12:01 a.m. on Monday and end at 12:00 midnight the following Sunday.

SECTION 3. Workday as Defined.

The workday will consist of twenty-four (24) consecutive hours and will begin at 12:01 a.m. and end at 12:00 midnight the same calendar day. It will be any of the days mentioned in Section 2.

SECTION 4. Hours of Work.

Seven and one half (7 1/2) hours will constitute a normal day's work for all employees. Employees are expected to be at their place of employment for eight (8) hours. Of the eight (8) hours, seven and one half (7 1/2) hours will be at the assigned work station and paid for, and the additional unpaid one half (1/2) hour will be for lunch time.

- A. Employees who are required to be at their job stations for eight (8) hours will be paid for eight (8) hours, eating their lunch at their work station. Such stations will be specifically designated.
- B. Employees will not be paid for lunch periods unless they are instructed to work through the lunch period. The regular rate of pay will prevail during the lunch period worked.
- C. All employees shall be paid at the designated rate for total hours worked, as directed by their supervisors pursuant to the work schedule. There will be no pay for any time not actually worked, except as specifically provided for in the terms of this Agreement.

SECTION 5. Pay Provisions/Overtime.

A. Regular Pay.

Regular pay is defined as the bargained rate for each classification as noted in Appendix "A-1" (red circle employees will be paid their rate for a 90 calendar day period).

B. Overtime Pay.

Overtime pay is defined as premium pay for work performed in excess of normal scheduled hours of work on a daily basis, and five (5) times the normal daily scheduled hours of work on a weekly basis. For employees whose daily scheduled hours of work exceed eight (8) hours, weekly overtime pay will apply to all hours worked over forty (40).

C. Overtime Exception.

- 1) Pay for time not actually worked, except where specifically provided, will not be used to compute overtime and will be considered premium pay and subject to paragraph D. below.
- 2) The Company will not be required to allow employees to work more than twelve (12) consecutive hours.
- 3) **MAINTENANCE SCHEDULE DURING GENERAL LAYOFF.**
During scheduled general layoff the maintenance department may adjust hours of work to better utilize manpower (i.e.: 4 - 10 hour days). This would be an exception to normal overtime pay procedures. Pay would consist of 10 hours per shift paid at straight time.

D. Computation.

Regular rate of pay and shift differential will be added together for the purpose of computing overtime pay for hours of overtime worked.

E. Pyramiding.

Overtime and/or premium pay will not be pyramided or duplicated. If two (2) or more of the overtime or premium pay provisions apply to the same hours of work, the provisions yielding the largest amount of pay will satisfy the requirements of all other provisions.

F. Sunday Pay. Five (5) Day Operation.

Sunday pay will be defined as premium pay for work performed on all Sundays. In addition to the regular rate of pay, the employee will receive an additional one half (1/2) of the regular rate of pay. This will not be used to offset true overtime hours; overtime will not be paid additionally on the Sunday premium pay.

SECTION 6. Seven (7) Day Operation.

The employees scheduled workweek shall be defined as seven (7) consecutive days beginning any day of the week and ending seven (7) consecutive days later. All employees will be regularly scheduled five (5) consecutive days followed by two (2) days off in each seven (7) day workweek.

When the plant is operating on a seven (7) day schedule, the following language will apply in place of paragraph E above.

A. Sixth (6th) Consecutive Day Pay.

When an employee works six (6) consecutive days in the same week, work performed on the sixth (6th) day will be paid at straight time, unless the cumulative hours worked in the assigned workweek qualify as true overtime hours. True overtime hours will be paid an additional one half (1/2) of the regular rate of pay.

B. Seventh (7th) Consecutive Day Pay.

When an employee works seven (7) consecutive days in the same week, work performed on the seventh (7th) day will be paid at an additional one half (1/2) of the regular rate of pay. This will not be used to offset true overtime hours. Overtime will not be paid additionally on the premium pay for the seventh (7th) consecutive day.

C. Exceptions to Sixth (6th) and Seventh (7th) Day Pay.

If work on the sixth (6th) and seventh (7th) day is required due to a change in day off by another employee, the additional hours (in excess of thirty-seven and one half (37 1/2)) will not be considered for the sixth (6th) and seventh (7th) day pay.

SECTION 7. Minimum Reporting Time.

A. Employees reporting and not put to work will receive two (2) hours at their regular rate of pay.

- B. Employees reporting to work will receive not less than four (4) hours work at their regular rate of pay if work is performed. When employees are called-in to attend a training session, on their days off, they will receive not less than four (4) hours at their regular rate of pay. When practical, all employees will be notified twenty-four (24) hours before any change in starting time. It is not intended that this provision will apply when employees are required to work in excess of the regular workday. Such additional time may be less than four (4) hours.

SECTION 8. Call-back Time.

Any employee called back to work after their regular-assigned shift for emergency will be paid a minimum of four (4) hours at the regular rate of pay for the work performed. Employees called in early will be paid for the regular rate of pay.

SECTION 9. Rest and Lunch Periods.

Employees will be permitted rest periods of fifteen (15) minutes duration on each one half (1/2) of the shift. During the first half of the shift, rest periods will begin no earlier than one and one quarter (1 1/4) hours and no later than two and three-quarters (2 3/4) hours after the starting time of that half shift. During the second half of the shift, rest periods will begin no earlier than one and one quarter (1 1/4) hours and no later than two and three quarter (2 3/4) hours after the starting time of that half shift. Lunch periods will begin no earlier than three (3) hours and no later than five (5) hours after the starting time of the shift. There will be a minimum of one (1) hour between lunch and break times, except in cases of breakdowns or emergencies.

SECTION 10. Notification of Employees.

- A. Except in emergencies, the Company agrees to notify its employees at least forty-eight (48) hours in advance when work is anticipated on the weekend or scheduled days off of employees. Emergencies include circumstances that are unforeseen and/or unexpected schedule changes which are beyond the control of the local plant management. It is agreed and understood that all employees will perform work on those days when notified in advance.
- B. Downtime will be established by the Company and posted on the plant bulletin boards as soon as possible. Company will make its best effort to provide five (5) working days notice prior to scheduled downtime.

ARTICLE 9 - WAGES AND PAY PRACTICES

SECTION 1. Regular Rate of Pay.

Regular rate of pay will be as stated in Appendix "A-1," titled "Regular Rates of Pay for Classifications," and becomes a part of this contract by reference.

SECTION 2. Shift Differential.

Shift differential is defined as premium pay for work performed on two (2) regularly-assigned shifts as follows: Midnight shift (12:00 midnight to 8:00 a.m.) will receive ten cents (\$.10) per hour in addition to their regular rate of pay. Swing shift (4:00 p.m. to midnight) will receive five cents (\$.05) per hour in addition to their regular rate of pay. Employees who work shifts on which shift premium is paid will receive the appropriate shift premium for the hours worked on that shift.

Increase Swing Shift from \$.05 to \$.10 per hour on 5-1-03.

Increase Midnight Shift from \$.10 per hour to \$.15 per hour on 5-1-03.

SECTION 3. Entry Rate.

All new employees will be paid at a rate of twenty percent (20%) per hour less than the regular rate of pay for a period of ninety (90) days worked; at which time a ten percent (10%) increase will be given for an additional ninety (90) days worked.

Electrical Maintenance employees, hired directly from outside the Company, will only receive the reduced probationary rate, eighty percent (80%), for the first thirty (30) days worked; at which time they will receive the full rate of the job they are performing.

The Company may waive this provision if necessary.

Relief ethanol operators will be paid at a rate of twenty percent (20%) per hour less than the regular rate of pay for a period of 56 days worked; at which time a ten percent (10%) increase will be given for an additional nineteen (19) days worked.

SECTION 4. Calculation of Fractions of an Hour.

Employees will be paid to the nearest one tenth (1/10th) hour (six (6) minutes).

SECTION 5. Jury Pay.

A. Eligibility.

- 1) Eligibility for jury pay will be determined on a day-to-day basis, and will be determined by actual time required away from the job based upon the call or release by the court involved.
- 2) To be eligible for the above payment, the employee must notify the immediate supervisor at the time of the call to jury service and must furnish evidence of the amount of pay received for jury service.

B. Full Pay Supplement.

Any regular employee who is required to be absent from work as a result of being called for and serving on a jury will receive whatever straight time pay they would have otherwise received, up to and including thirty-seven and one half (37 1/2) hours in any one (1) week.

C. Partial Day Reporting.

Any regular employee who is required to be absent from work as a result of a call for jury service but who is released from that call in time to report to work for the second half of their shift will be required to return to their assigned shift. Employees reporting in compliance with this subsection will be paid for the full shift. Employees released early but not reporting to work will forfeit their right to that day's supplement.

D. Limitations.

In no instance will the Company supplement, plus time actually worked, exceed seven and one half (7 1/2) hours at straight time in any twenty-four (24) hour period.

SECTION 6. Funeral Pay.

Employees who lose time on scheduled work days because of a death in their immediate family will be paid for one (1), two (2), or three (3) days (each day at seven and one half (7 1/2) hours straight time), as necessary, for making arrangements or attendance at the funeral. For the purpose of this section, a member of an employee's immediate family will be defined as one of the following: employee's spouse, parent, grandparent, grandchild, son, daughter, brother, stepbrother, sister, stepsister, mother-in-law, father-in-law, stepfather, stepmother, step-children, grandparents of employees spouse, brother-in-law, sister-in-law or blood relative living in the home.

If an employee is on leave of absence because of an accident or illness to a member of the family, as defined above, and the family member dies during the leave of absence, the Company will make payment under the terms stated above to the employee.

Verification may be required for approval and/or payments under this section.

SECTION 7. Work Injury Pay.

An employee who is excused from work as a result of an injury on the job will receive pay for the date injured in an amount not less than the number of regular hours worked by other employees in the same department. With proper verification, an employee will be excused from

work with pay, not to exceed 2 hours unless beyond the control of the employee, for visits to the doctor which pertain to the same injury. Time lost will be credited toward computation of overtime for day of injury and subsequent visits.

SECTION 8. Pay Procedures.

- A. All employees will be paid by Company check on a consecutive biweekly basis, except in cases of discharge and vacation. Discharges will be paid on the next regularly-scheduled payday, or within forty-eight (48) hours if requested in writing. Vacation pay will be received per provisions in Article 16.
- B. Partial and/or incomplete pay periods or voluntary quits will be paid on the next regularly scheduled payday.
- C. No checks will be issued before the regularly scheduled pay time unless written permission is granted from the department head or designee.
- D. Paychecks will be given only to the named payee, unless a power of attorney has been signed and filed at the payroll office designating an identifiable second party authorized to receive the check.
- E. Pay upon separation from the Company will be issued only after all financial obligations to the Company for money or material have been satisfied.
- F. Upon employee's request, errors made by the Company in pay computation amounting to four (4) or more hours will be corrected as soon as possible. Errors made by the employee will be adjusted to their next paycheck.
- G. Employees who have Friday off may receive their check prior to their day off, if checks are available at the plant.

SECTION 9. Change of Pay.

- A. New Classification and Rates.

Twice during the term of the labor agreement, once in the first year, the Company and Union will meet to discuss the changes to jobs at the facility that may warrant job reclassification or regrading. Any review shall be limited to changes in job duties, responsibilities, and job content of a substantial nature within the preceding eighteen (18) months prior to the request for change in the first year of the Labor Agreement. In the event that no agreement is reached and a dispute arises, the dispute may be filed as a grievance at Step 3 of the grievance procedure. Request for reclassifications or regrades

will be submitted to the Company in writing two weeks prior to the meeting. Such meeting shall not exceed two (2) full working days.

Whenever the duties, responsibilities, or job content change substantially, the Company may at its discretion, establish a temporary rate, which will be retroactive to the effective date of the new job or classification. The new rate will be placed on the job posting notice. If the parties disagree upon a rate, the issue will be entered at Step 3 of the grievance procedure.

B. Rates on Reassignment.

Employees in any classification are expected to perform all duties to which they may be reasonably assigned. When an employee is assigned to a lower-rated job, the employee will receive the wage rate of their regular classification for the balance of the current pay period. If the employee is assigned a higher-rated job, the employee will receive the pay of the higher-rated job for hours worked in that classification.

C. Rates of Relief Assignments.

Employees whose bid jobs are not operating will be used for relief purposes, providing the employee is qualified and is within the relief work area. The Company agrees to pay the rate of the relief classification for hours worked only for operators filling in for short duration (i.e.; lunches, breaks, absences).

D. Downtime Help During General Layoff.

The Company will post at least one (1) week before the general downtime a bid for all help needed. Bids will be filled per Article 6, Section 3.

At the end of the scheduled downtime, utility workers will be returned to their regular job. Once returned, they cannot be considered utility workers until they receive a bid for the next downtime.

ARTICLE 10 - LEAVES OF ABSENCE

SECTION 1. Eligibility.

Leaves of absence without pay will be granted for good cause--if an employee suffers an injury or illness, pregnancy, or for personal reasons of short duration. The employee must submit a written request to the appropriate supervisor stating the length and purpose of such leave. A leave of absence may be extended by mutual agreement between the Company and the employee.

SECTION 2. Seniority and Job Protection.

In all cases, employees on leave of absence will keep their seniority and, when practical, receive their same work station assignment or wage scale upon returning (except military leaves).

Employees returning from injury or illness leaves will be offered their previous jobs at the current rate.

SECTION 3. Disability Leaves.

A. Personal Disability.

Employees disabled through illness or injury will be granted leave, subject to medical verification, for the full duration of the documented disability up to, but not to exceed, 365 days.

Medical leaves of absence will be granted only when the employee presents written verification from the treating physician, including the medical reason for the leave, the beginning date, and the approximate date of return. It will be the responsibility of the employee to present verification from the treating physician within seven (7) calendar days of the employee's last day worked (emergency circumstances will be considered). It will also be the responsibility of the employee to provide similar medical verification to support extensions of previously approved medical leaves prior to the employee's anticipated return to work date.

B. Industrial Illness or Injury.

Employees disabled as the result of an on-the-job illness or injury incurred through their Simplot service will be granted leave not to exceed 36 months as addressed in Article 4, Section 3., B., 3.

SECTION 4. Personal Leaves.

Leave of absence without pay for personal reason will be granted only after all accrued vacation eligibility, beyond two weeks, has been exhausted. The total amount of leave for personal reasons will not exceed twenty (20) working days in one (1) calendar year (except in cases of emergency). Company shall comply with State and Federal statutes and amendments on Family Medical Leave Act.

SECTION 5. Military Leave.

A. Short Term.

Employees fulfilling National Guard and Reserve commitments or call requirements will be granted leave without pay for the full extent of call. The employee will return to their previously assigned work station and pay rate if they return to their job immediately upon release from their short-term military obligation.

B. Long Term.

Employees fulfilling long-term military obligations (six (6) months or longer) will be granted leave without pay for the full extent of the call.

C. Statutory Requirements.

Adherence to state and federal statutes will govern the application of this section.

SECTION 6. Limitations and Penalties.

The Company will not grant a leave of absence for the purpose of performing gainful employment. Persons determined to be engaged in such activities while on leave of absence will have the leave of absence immediately revoked and will be required to report to work within forty-eight (48) hours. Failure to do so will result in termination.

ARTICLE 11 - MEDICAL REQUIREMENTS

SECTION 1. Medical Examinations.

A. Pre placement Physicals.

New employees will, if requested by the Company, submit to physical examinations and screening tests for drugs and/or controlled substances by a Company designated medical practitioner prior to placement. Cost of examination will be borne by the Company.

B. Annual Examinations.

All employees will, if requested by the Company, submit to a physical examination yearly or when requested and submit an examination certificate from a physician designated by the Company. Examinations other than those required of new employees under Section A of this Article will be paid for by the Company and taken on Company time. The doctor will advise the employee of the results of the examination.

C. Statement of Condition.

Employees absent from work as a result of a nonoccupational illness, injury, or physical impairment will be required by the Company to furnish proof of the disability by a statement of physical condition signed by the treating physician, if they had seen a doctor or were absent five (5) working days or more, as a condition of the employee's return to work.

The statement of condition will contain the following information:

- 1) Employee's name

- 2) Date seen by physician
- 3) Diagnosis or Condition treated
- 4) Dates off work (from and to)
- 5) Any comments needed to clarify the employee's illness/condition
- 6) Date of return/or expected return to work
- 7) Signature of Physician/and Date

D. Second Opinion.

In the event a controversy arises from the decision of a doctor, the Company or the employee may, at their expense, select another doctor to make a second examination. In the event of a difference of opinion between the doctors, they will mutually select a member of the medical profession to reexamine the employee. The decision of the majority will prevail. Expense of the third physical examination will be paid equally by the Company and the Union.

E. Fitness for Duty.

All employees are subject to appropriate testing for the use of drugs, alcohol, or controlled substances. Cost of the testing will be borne by the Company.

ARTICLE 12 - WORKING CONDITIONS AND SAFETY

SECTION 1. Working Conditions.

The Company will provide suitable seating for the employees in lunchrooms and rest areas. When the nature of the work is stationary, the Company will provide adequate stools or seats. Heat and ventilation will be maintained within required tolerances established by state or federal requirements.

SECTION 2. Safety Teams.

Shift safety teams (Safe Workplace Awareness Teams) will be established to assist in promoting and providing for a safe working environment. Team membership of no more than five (5) bargaining unit members per shift will participate. These teams will conduct meetings at least on a quarterly basis. Meetings will be utilized for employee training, peer review, and observation and promotion of an injury-free workplace. Minutes from the SWAT meeting will be submitted to both the Company and the Union.

SECTION 3. Emergency Safety Conditions.

If a condition of work arises where there is reasonable probability of imminent danger to personnel or property, the shop steward on that shift will immediately notify the shift supervisor. The shift supervisor will investigate the condition and inform the shop steward of action to be taken. If this action does not resolve the condition, the designated representative will meet with the plant manager within twenty-four (24) hours to attempt to resolve the unsafe condition. If they cannot resolve the issue, the Idaho State Department of Labor will be requested to immediately furnish a qualified safety specialist to resolve the safety issue complained of.

SECTION 4. Industrial Accident Reports.

A copy of the accident reports will be made available to the employee and the Union upon employee's request within 48 hours after the Company has received such request.

ARTICLE 13 - TOOLS AND CLOTHING

SECTION 1. Company Provision.

Special protective clothing required by the Company will be provided if it is not normally worn or sold for street wear.

SECTION 2. Items Covered.

The Company will supply employees, whose work assignments require, with the following personal protective apparel:

- A. Wet suits, aprons, gloves, hair nets, rubber boots, and hard hats while employed.
- B. Freezer clothing to employees not assigned to but required to enter mechanically-refrigerated areas operating at temperatures below 32 degrees F...freezer boots, insulated coveralls, freezer gloves, freezer hat liner.
- C. Employees who are required to carry tools on the job will receive replacement of tools broken while working, provided the tools are of the make and type whose manufacturer guarantees them for replacement and the tools are locally sold. Tools will be replaced only if they are required by Company to perform the job.
- D. Articles will be supplied as outlined, provided old articles to be replaced are turned in before new ones are issued. A charge will be made for articles lost or damaged by negligence or maliciousness.

ARTICLE 14 - HEALTH AND WELFARE BENEFITS

Employees covered by this Agreement will receive group insurance benefits in accordance with provisions set forth in the Caldwell plant summary plan description published by the Company and which are incorporated as part of this Agreement.

Group Insurance:

The Company agrees to provide access to a group health plan effective January 1, 2005. Eligible employee may enroll in accordance with provisions, conditions, limitations and extent of coverage as set forth in the plan document, the official description of the plan. A summary Plan Description highlighting the key provisions of the plan will be published by the Company and made available to eligible participants. The bi-weekly contribution rates are as follows:

Simplot PPO Plan	1/1/05	1/1/06	1/1/07
Employee	\$11.00	\$12.00	\$14.00
Employee + 1	\$24.00	\$27.00	\$30.00
Family	\$47.00	\$53.00	\$59.00

*PPO rate will not exceed PPO rate for Simplot salaried workforce.

No later than the first pay period in December, employees on active employment status enrolled in the current Simplot health plan as of 5-1-04 shall receive 1 (one) annual lump sum payment.

December 2004 - \$300.00 (Three Hundred Dollars)

December 2005 - \$300.00 (Three Hundred Dollars)

December 2006 - \$300.00 (Three Hundred Dollars)

Eligibility

Employees will be required to reach and maintain Regular Employee Benefit Status and work a minimum of one thousand forty (1,040) base hours in 2005 in order to qualify for medical benefits in 2006. Then, the one thousand forty (1,040) hour requirement will remain in effect for each year thereafter.

Base hours include vacation, sick time and other paid hours, but specifically exclude overtime hours. Hours worked are measured between September and August for plan eligibility for the following January. New hires will be reviewed for this requirement based on their hire date and the date they reach Regular Employee Benefit Status.

For benefit eligibility purposes, an employee reaches Regular Employee Benefit Status on the first of the month following completion of five (5) months of employment uninterrupted by quit or discharge. Should an employee be laid-off during this five month period; however, the intent of their position at hire is that they will be working 1040 base hours or more per year, the individual will continue to accumulate time during the lay-off period towards the initial eligibility.

Company modification to Life and AD&D

1-1-05 increase Life and AD&D to \$20,000

ARTICLE 15 - RETIREMENT

Section 1

Employees covered by this Agreement will receive retirement benefits in accordance with provisions set forth in the Caldwell summary plan descriptions for the Simplot Pension Plan "H" and the Simplot Retirement Savings Plan "H" published by the Company and which are incorporated as part of the Agreement, effective May 1, 1998.

The Company agrees to accept suggestions from a committee of two (2) members of the bargaining unit representing all of the employees of the J.R. Simplot Labor Agreement in Caldwell, ID, for improvements to the existing plan.

Section 2

Current Caldwell employees whose most recent hire date at Caldwell is prior to May 1, 2004 will receive the following:

- a. The Company will deposit in their savings account in January 2005, \$200.00 if the employee is on active employee status as of 12/31/04 and actively participating by deferring at least one percent (1%) of pay into the savings plan prior to December 2004.
- b. The Company will deposit in their savings account in January 2006, \$200.00 if the employee is on active status as of 12/31/05 and actively participating by deferring at least one percent (1%) of pay into the savings plan prior to December 2005.
- c. The Company will deposit in their savings account in January 2007, \$200.00 if the employee is on active status as of 12/31/06 and actively participating by deferring at least one percent (1%) of pay into the savings plan prior to December 2006.

ARTICLE 16 - VACATIONS

SECTION 1. Eligibility.

An employee will become eligible for vacation in accordance with the following provisions:

Upon attaining:

One (1) year of seniority. . . one (1) week of vacation.

Two (2) years of seniority. . . two (2) weeks of vacation.

Five (5) years of seniority. . . three (3) weeks of vacation.

Fifteen (15) years of seniority. . . four (4) weeks of vacation.

Twenty-five (25) years of seniority. . . five (5) weeks of vacation.

SECTION 2. Vacation Pay.

- A. Vacation pay will be computed on the employee's prior year's gross earnings with the exception of vacation pay and paid at one forty-eighth (1/48th) of that total for each week of vacation.
- B. Vacation pay will be paid in one (1) disbursement on a pay period following the employee's seniority date at the employee's request.
- C. Employees will not be required to take time off.

SECTION 3. Vacation Time and Scheduling.

A. Scheduling.

Vacation time will be granted to eligible employees at such times as the Company finds suitable, considering the requirements of the plant and the wishes of the employee.

B. Requests.

(1) It will be the responsibility of each employee to submit a vacation request form to the supervisor for approval. Employees may put in for vacations at any time. However, vacation time must be requested at least thirty (30) days in advance of the requested vacation period. Vacation requests will be granted on a first-come, first-served basis. If two or more employees request the same vacation at the same time, seniority will determine which employee(s) are allowed the requested time off. An answer to the request will be given to the employee within ten (10) working days.

(2) One (1) day vacation requests will be considered by the Company depending upon individual circumstances and plant needs. Such one (1) day vacations shall not exceed five (5) days in any calendar year. The thirty (30) day advance notice shall not apply to the one-day vacations.

C. Postponement and Forfeiture.

Vacations will be taken during the twelve (12) month period following the anniversary date of employment. Vacations cannot be postponed nor allowed to accumulate from anniversary year to anniversary year, but must be taken during said twelve (12) month period or all the vacation will be forfeited unless vacation time was denied by the Company.

D. Standard Week.

1) All vacation weeks will start on Monday and end on Sunday (Sunday will be included in the vacation week for time off), except that the Company may permit a change, if practical, for individual employees, if the change has been requested by the employee.

2) During seven (7) day operation, all vacation weeks will start on the first (1st) day of the employee's scheduled work week, except that the Company may permit a change, if practical, for individual employees, if the change has been requested by the employee.

SECTION 4. Separation of Employment.

A. Pro Rata Pay.

Vacation pay will be given on a prorated basis to any eligible employee upon separation.

B. Vacation Pay Formula.

One (1) week equals one forty-eighth (1/48th) of prior year's gross earnings with the exception of vacation pay. Two (2) weeks equal two forty-eighths (2/48ths) on the same formula as above. Three (3) weeks equal three forty-eighths (3/48ths) on the same formula as above, and so on for any additional weeks that may be provided.

C. Holidays During Vacation.

If a holiday falls during an employee's vacation, they will receive holiday pay in addition to their vacation pay, (Providing the employee meets the qualifications to receive holiday

pay) but will not add an additional calendar day to their vacation unless the employee requests the additional day in writing on the vacation request form.

ARTICLE 17 - HOLIDAYS

SECTION 1. Designated Days.

The list below will be designated as holidays. When federal and state holidays conflict, the Idaho state holiday will apply. In the event any holiday falls on Sunday, Monday will be observed as holiday during a 5-day operation.

1. New Year's Day
2. Good Friday
3. Memorial Day
4. Fourth of July
5. Labor Day
6. Thanksgiving Day
7. The day after Thanksgiving
8. December 24th
9. Christmas Day
10. New Year's Eve

SECTION 2. Qualifications.

Employees will qualify for holiday pay if they have a seniority date six (6) months prior to the holiday, and work their scheduled shifts immediately preceding and following the holiday, and if they work within thirty (30) calendar days prior to the holiday or seven (7) calendar days after the holiday.

Exceptions to qualifications are as follows:

1. Medically verified illness at home or in the hospital, provided the employee would otherwise qualify.

SECTION 3. Worked Holiday Pay.

If an employee works on a holiday enumerated in this Article, he/she will be paid, in addition to holiday pay, at the rate of time and one half (1 1/2) for hours worked.

SECTION 4. Unworked Holiday Pay.

- A. Employees who meet the qualifications in Section 2 will be paid seven and one half (7 1/2) or (8) hours at their regular hourly rate for the holidays listed. Holiday pay will be paid in the normal payroll sequence for the pay period in which it falls.

Employees normally assigned more than (8) eight hours will be paid for their normal scheduled hours, in the event that the holiday falls on their normal scheduled work day and that employee does not work.

- B. An employee who fails to work on a scheduled holiday will not receive holiday pay.

SECTION 5. Definition.

Holiday begins at 12:01 a.m. on the calendar day of a designated holiday and end at 12:00 midnight on the same calendar day.

Eligible employees will receive pay for the holiday in the normal pay period.

ARTICLE 18 - RULES AND DISCIPLINE

SECTION 1. Commitment.

It is understood that the plant security, safety, and sanitation rules enumerated in the "Plant Rules" will not preempt or alter provisions of this Agreement. All employees will be required to abide by these plant rules. The Company and the Union agree that all provisions of these rules will be uniformly applied to all employees in all departments, to the best of their ability, and that mutual understanding and uniform application are important to the consistent and efficient operation of the plant. It is understood that violation of these rules will result in one or more of the following: verbal acknowledgment with the employee, corrective notice and notification of violation, suspension, and/or termination (employee signs written notice as an acknowledgment of receipt only).

There are other documents available through the Company personnel office referring to the attendance program and work rules in addition to this Labor Agreement.

SECTION 2. Notification.

- A. Union Notice.

The Company will provide the Union a written notice of all disciplinary actions taken.

- B. Additions or Changes.

All amendments, modifications, or additions to the published rules will be provided to the Union with a reasonable time before implementation.

- C. Grievance Rights.

The Company recognizes the Union's right to grieve unreasonable content or application of any rule.

SECTION 3. Company Action.

- A. The Company may discharge or suspend an employee for just cause.
- B. No employee will be discharged or suspended without prior written warning except for violations of Company work rules which may result in immediate termination of employment.

- C. Warnings.

Four (4) written disciplinary notices, excluding attendance program warnings, within a twelve (12) month period will be cause for discharge. No warning notice will remain in effect for more than twelve (12) months.

- D. Time Limit.

Warning notices and corrective notices must be received within ten (10) working days of the incident, excluding attendance program warnings, or they will be deemed invalid.

- E. Corrective Notices.

A corrective notice will not be issued for an accident unless there is just cause.

ARTICLE 19 - GENERAL PROVISIONS

SECTION 1. Contracting of Work.

The Company will not contract for work of the bargaining unit on Company's premises, unless:

- A. Plant employees are not qualified due to lack of experience to do the work required.
- B. Necessary tools or equipment are not available at the plant.
- C. Such work cannot be completed within the required time limits.
- D. Work is related to factory installation, performance guarantees, and equipment warranties.

- E. The Company will notify the Union, as soon as possible, before any outside contractors are brought on site. Subcontractors shall comply with all Simplot policies on Safety and Health.

SECTION 2. Supervisory Work.

Plant personnel not part of the bargaining unit will not be permitted or assigned work normally done by the bargaining unit, except:

- A. Instructing and/or training employees.
- B. Demonstrating the correct use of tools or equipment.
- C. Acting to prevent an accident or injury to an employee or to prevent product or equipment damage.
- D. To ensure continuous efficient operation in case of absenteeism.

SECTION 3. Limitation on Strikes and Lockouts.

- A. Lockouts.

The Company agrees that while this Agreement is in effect it will not engage in any lockout of its employees.

- B. Strikes.

The Union agrees that while this Agreement is in effect it will not engage in any strike.

SECTION 4. Civil Disorder.

A plant shutdown or evacuation of any employees caused by civil disorder (including felonious threats), riot, or act of war will not hold the Company responsible for payment for time not actually worked.

SECTION 5. Temporary Work.

The Company has the right to hire and retain temporary employees, including students, to perform jobs inside the bargaining unit provided that:

- A. It is work not normally done by bargaining unit employees.
- B. The work is temporary in nature.

- C. Employees who could perform the work are not on layoff.

SECTION 6. State and Federal Statutes.

Modifications to this Agreement necessary because of conflict with or implementation of new or revised state or federal statutes will be negotiated with the Union before changes are implemented; for example, but not limited to, Occupational Safety and Health Act, Pure Food and Drug Act, Civil Rights Act, Equal Pay Act. In the event agreement cannot be reached, the matter will be referred to arbitration.

SECTION 7. Nondiscrimination.

- A. The Company agrees that it will not discriminate against an employee because of Union membership or Union activity. The Union activity will not interfere with operational or production schedules.
- B. The Company and the Union agree that there will be no discrimination because of age, race, creed, color, sex, veteran status, place of national origin, physical and/ or mental disability.
- C. Where the masculine or feminine gender has been used in any job classification or in any provision of this Agreement, it is used solely for the purpose of illustration and will not in any way be used to designate the sex of employee eligible for the position, the benefits, or other provisions.

ARTICLE 20 - GENERAL CONDITIONS

SECTION 1. Legal Compliance.

Should any court of competent jurisdiction declare any of the provisions of this Agreement invalid, it will not affect the other provisions.

SECTION 2. Employee Contact Information.

It will be the employee's responsibility to notify the Company of all changes in name, mailing address, and telephone number for the purpose of:

- A. Emergency
- B. Layoff and Recall.
- C. Company and benefit mailings.

ARTICLE 21 - MAINTENANCE

SECTION 1. Qualified Maintenance Support.

- A. Qualified maintenance support will include classifications of employees who work in the maintenance department, including oilers, insulators, sandblasters, and lube oil.
- B. When an opening occurs in these classifications, it will be posted in accordance with the bidding provisions of Article 6 of this Agreement.
- C. Employees in these classifications may be assigned to work with qualified plant maintenance personnel as required.

SECTION 2. Qualified Plant Maintenance and Specialized Crafts.

- A. Selection and Promotion of Qualified Maintenance Employees:
 - 1) Entry into qualified maintenance will be established by job description within a specialized area of a section. Each specialized area will contain three (3) base rate classifications within the spread of classifications listed in Appendix "A-1." Qualified maintenance employees must be qualified prior to advancement to a higher base rate classification.
 - 2) All openings for qualified plant maintenance grade 1 will be posted, and employees who fully satisfy the minimum qualifications will be eligible to bid. The job will then be awarded on the basis of seniority.
 - 3) Upgrading of qualified maintenance personnel will be based on skills, ability, and performance within the outline of the job description. Skills and ability may be tested by a qualified, independent testing agency. Performance will be evaluated by the employee's section supervisor or maintenance manager, with a shop steward representative designated by the Union to observe. Such evaluations are to be conducted every six months or less.
 - 4) When a qualified plant maintenance employee fully satisfies and has completed the qualified plant maintenance classification 10 or 11 requirements, he/she will immediately be promoted.
 - 5) Specialized crafts vacancies will be posted and bid in accordance with the seniority provisions of this Agreement. Specialized crafts may be in the following sections: welder, mechanic, sheet metal, machinist, electrical, wet line, package line, raw product handling equipment, auto shop, building and grounds, plumbing, stationary operators-boilers, compressors, electric forklift repair and ethanol plant.

- 6) If, at any time, an opening for maintenance personnel occurs at any level and there are no qualified employee bidders, the Company may fill the position from outside the Company providing the newly-hired employee fully satisfied the requirements of the position.
- 7) Requirements for upgrading of qualified maintenance personnel will be continued and changed only by mutual agreement between the Company and the Union.
- 8) A current skills checklist will be maintained for every maintenance employee.

B. Assignment of Qualified Maintenance Employees.

- 1) Qualified maintenance employees will be assigned to one of the sections in specialized areas set out in Appendix "A-2."
- 2) Maintenance employees generally work within a specialized area within a maintenance section; however, this does not limit maintenance to that area of work. All maintenance employees are expected to assist other maintenance employees when needed and may be assigned to perform work in other sections and specialized areas on a temporary basis for up to eight (8) hours when needed to complete work on schedule or in event of emergency. Maintenance employees on duty may be retained for up to four (4) hours beyond the assigned shift to complete work in progress or in event of emergency without recalling maintenance employees on layoff.
- 3) The company will be allowed a six (6) month training period when new equipment is installed before the seniority rule applies.

ARTICLE 22 - PRODUCTIVITY COMMITMENT

In the interest of promoting the operational growth and economic stability supporting their mutual future, both the Company and the Union pledge to work for and support new concepts and activities increasing the production efficiency of the Caldwell operations. It is recognized and accepted by both parties that the search for and implementation of productivity and quality improvements, through the Constant Improvement Process, will be aggressive and promote their mutual long-term interests.

In this light, both parties commit to seek and implement reasonable and practical ideas and operational changes to attain the greatest competitive advantage for the operation covered under this Agreement. In that regard, the Company may utilize selection methods for key positions which may include, as examples, appropriate written assessments and interviewing procedures, job qualifications, licensing requirements, and work simulations.

ARTICLE 23 - TERM OF AGREEMENT

SECTION 1. Term.

This agreement will become effective and will remain in full force and effect for the period ending April 30, 2007, and year to year thereafter, unless either party gives the other party sixty (60) days written notice prior to May 1 of such year of their desire to amend or terminate the Agreement. Thereafter and during the balance of the sixty (60) day period, the parties to this Agreement will meet and make every effort to agree upon the amended contract. If during the sixty (60) day period, the parties hereto will not have reached an agreement upon such amendments, then this Agreement will automatically expire and terminate.

SECTION 2. Conditions.

This document and appendices constitute the full understanding between the parties with reference to the subject matter contained and supersedes all previous agreements, oral or written. No statements of agreements made prior to or during the signing will modify the written terms. Neither party will claim any amendment, modification, or release from any provision (by mutual agreement or otherwise) unless such agreement is in writing signed by both parties and specifically stating it is in amendment of this Agreement.

FOR THE J.R. SIMPLOT COMPANY

Gary Brown
Reggie Pederson
Kenny Wright
Butch Mazza

Tim Green
Hal Julian
Isabel Julian

FOR THE TEAMSTER FOOD PROCESSORS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS, LOCAL UNION NO. 670.

Diana Franken
Don Kloss
George Raffle
Dan Ferry
Dewayne Dibben
Jed Pickrel
Benita Alonzo

Edna Portenier
Louise Rhoades
Debbie Mitchell
Mary Bautista
Gwen Bonds
David Burdine
Wanda Haines

Teamsters Food Processors,
Chaufferurs, Warehousemen
And Helpers, Local Union No. 670

J.R. Simplot Company
Caldwell, Idaho Plant

By: _____

By: _____

**APPENDIX A-1
GRADE CLASSIFICATION
WAGE SCALE**

	Effective Following Ratification 2004	Effective 5-1-05	Effective 5-1-06
Class. 1 Light Duty	10.15	10.40	10.66
Class. 2 Heavy Duty	10.31	10.57	10.83
Class. 3 Relief Operator Case Off Operator Process Control Technician - (All Lines) Raw Lab Technician	10.79	11.06	11.34
Class 3 Lead	11.07	11.35	11.63
Class. 4	11.01	11.28	11.57
Class. 5 Relief Operator Mixer Operator Paper Oil Filter/Starch Operator Production Forklift Operator Materials Forklift Operator Outside Sanitation Temp. Downtime Utility Helper Temp. Downtime Maint. Helper	11.99	12.29	12.60

Class. 6	13.05	13.37	13.71
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Relief Operator
 Automatic Palletizer
 Blancher/Dryer Operator
 Hash Brown Shredder Former
 Hash Brown Blancher Operator
 IQF Shredder Former
 Recovery Operator (2 yrs. exp.)
 Bacteriology Lab Technician
 Quality Assurance Technician

Class 7	13.34	13.67	14.01
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Packaging Operator - Incorporate Transwrap Operator into group
 Line Operator (wet)
 Relief Operator
 Cutterdeck Operator
 Fryer Operator
 Oil & Caustic Operator
 Peel Line Operator
 Process Control Operator
 Freezer Forklift Operator
 Bacteriology Lab Technician (Certified)

Incumbent Class 9 operators will retain their current rate of pay (\$14.02) until equals or exceeds current rate.

Class. 8	13.94	14.29	14.65
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Recovery Operator (State Certification 1)

Class. 9	14.37	14.73	15.10
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Oil & Caustic Leadperson
 Maintenance Utility
 Recovery Operator (State Certification 2)

Class 9A	14.65	15.01	15.39
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Area Facilitator
 T.Q.M. Facilitator
 Ethanol Area Operator

Class. 10	15.46	15.84	16.24
Recovery Operator (State Certification 3)			

Qualified Maintenance

- Boiler
- Compressor
- Relief Boiler/Compressor
- Environmental Mechanic
- Electrician (Non-Licensed)
- Logistics Maintenance
- Ethanol Mechanic
- Machinist
- Package Line Mechanic
- Recovery Mechanic
- Refrigeration Technician
- Systems Service Mechanic I
- Wet Line Mechanic

Ethanol Area Operator

Class. 11	16.68	17.09	17.52
Ethanol Mechanic Lead			
Qualified Maintenance			

Class 11 A	22.29	22.85	23.42
Maintenance Support			
Facilitator/Journeyman			
Electrician			

Class 11 e	19.84	20.34	20.85
Electrician (Non-Licensed)			
System Service Technician			

Class 11 j	21.29	21.82	22.37
Journeyman Electrician			

Class. 12	17.57	18.01	18.46
Qualified Maintenance			

Class 12 a	18.46	18.92	19.39
Area Maintenance/Palletizing Facilitator			
Maintenance Support Facilitator			
Maintenance Packaging Facilitator			

(Working lead to be paid \$.25 extra)

An employee whose job title is inadvertently omitted will receive the wage increase of comparable classification.

The Company agrees to form a Union-Management committee to review and update job descriptions during the life of the Labor Agreement.

Special Compensation:

A. Clothing Allowance.

The company will supply Cold Weather Clothing to all employees regularly assigned and scheduled for work in mechanically-controlled temperature areas, such as plant freezer and plant cold storage, operated below 32 degrees F.

- Employees will be required to sign for clothing when issued and shall be responsible for care of the clothing. Employees will be required to return worn or damaged clothing before replacement is issued. Employees will be charged for replacement of clothing so furnished if the clothing is damaged or lost due to carelessness or if the employee fails to return clothing.

List of Clothing provided: Head Covering , Bibs, Coat, Gloves, Boots and Long Johns.
(Not eligible for Safety Shoe program).

The Company will provide the Union with copies of all job descriptions as they are revised, also when requested by union.

APPENDIX A-2

Specialized areas within qualified maintenance
that would be bid within the department:

1. Wet Line Maintenance Section
2. Package Line Maintenance Section
3. Electrical Section
4. Stationary Operators Section
Boiler/Compressor
5. Ethanol Plant
6. System Service Technician

APPENDIX A-3

Holiday Calendar	2004	2005	2006
New Year's Day	01/01 Thursday	01/01 Saturday	01/01 Sunday
Good Friday	4/09 Friday	3/25 Friday	4/14 Friday
Memorial Day	5/31 Monday	5/30 Monday	5/29 Monday
Fourth of July	7/04 Sunday	7/04 Monday	7/04 Tuesday
Labor Day	9/06 Monday	9/05 Monday	9/04 Monday
Thanksgiving	11/25 Thursday	11/24 Thursday	11/23 Thursday
Day after Thanksgiving	11/26 Friday	11/25 Friday	11/24 Friday
December 24th	12/24 Friday	12/24 Saturday	12/24 Sunday
Christmas Day	12/25 Saturday	12/25 Sunday	12/25 Monday
New Year's Eve Day	12/31 Friday	12/31 Saturday	12/31 Sunday

New skill standards implemented for incumbent employees will be developed, reviewed with employees and union representation. A letter of agreement specifying new requirements of incumbent employees will be approved by the company and the union.

APPENDIX A-4

TEAMSTERS COUNCIL #37 FEDERAL CREDIT UNION - PAYROLL DEDUCTION

The Company agrees that it will deduct from the employee's paycheck each month the amount he/she designates by filling out a Teamsters Council #37 Federal Credit Union payroll deduction form. This amount of money shall be received by the office of the credit union within five (5) days of the deduction.

APPENDIX A-5

LABOR/MANAGEMENT COMMITTEE

Creation of a Joint Labor/Management Committee to meet at least semiannually.

The Company and the Union shall establish and maintain a Joint Labor/Management Committee. The management representatives to the Joint Labor/Management Committee will include plant management. The employee representatives to the Joint Labor/Management Committee shall include up to six (6) members of the Negotiating Committee, in addition to representatives of Teamsters Local Union No. 670.

The Joint Labor/Management Committee shall meet no less than semiannually for the purpose of discussing issues of mutual concern. The purpose of the Joint Labor/Management is to facilitate communications between employees and management and to discuss issues of mutual concern in an advisory capacity. Issues that are discussed in these meetings may also include items regarding interpretation of contract language, which are subject to the grievance procedure or Federal Mediation and Conciliation Service.

Employee representatives on the Joint Labor/Management Committee will receive up to one-half days pay at the straight time rate the employee received for the shift the employee last worked prior to the Joint Labor/Management Committee meeting. Any additional time spent on the Joint Labor/Management Committee activities is understood to be voluntary and without additional compensation from the Company.

Organizational aspects of the Joint Labor/Management Committee may be discussed by its members from time to time. An agenda will be prepared and minutes or a report maintained for all meetings.